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Web Proof Information Pack of

Oriental City Group Holdings Limited
奧思知集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

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- Summary
- Definitions
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- Directors and parties involved in the Placing
- Corporate information
- Industry overview and regulatory overview
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- Directors, senior management and staff
- Substantial Shareholders, Initial Management Shareholders and Significant Shareholders
- Share capital
- Financial information
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YOU SHOULD READ THE SECTION HEADED "WARNING" ON THE COVER OF THIS WEB PROOF INFORMATION PACK.

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of the prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Placing Shares.

There may be greater risk associated with any investment in companies listed on GEM than companies listed on the Main Board of the Stock Exchange. There are risks associated with any investments. Some of the particular risks in investing in the Placing Shares are set forth in the section headed "Risk factors" of this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

BUSINESS OVERVIEW

The Group 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 conducts its business through business partnerships with prestigious organisations and financial institutions such as CUP, whose logo is borne on all bank cards issued by domestic banks in the PRC, BOCOM's Hainan provincial branch and SCB, one of the largest commercial banks in Thailand.

To capture the business opportunities, and in line with CUP's out-going strategy to develop the international market, OCG Thailand launched the CUP Card acceptance service in Thailand in January 2005. Currently, there are three service providers for CUP Card acceptance services in Thailand, namely OCG Thailand, Bangkok Bank Public Company Limited and Kasikorn Bank. The Directors believe that the Group is among the first service providers to provide the CUP Card acceptance services in Thailand. The bank partner of the Group in Thailand is SCB, one of the largest commercial banks in Thailand, which provides the settlement service.

CUP Card acceptance business is the business platform through which the Group is engaged in business partnership with CUP in Thailand, whereby the Group installs POS card terminals, or cooperates with SCB in the selective use of POS terminals owned by SCB, to enable such POS terminals to accept CUP Cards at Thai merchants frequented by Chinese tourists (who are most likely CUP Card members) and both CUP credit and debit cards are accepted at the POS card terminals at Thai merchants. The Group's POS card terminals enable CUP Card transactions to be routed to CUP for authorization, upon which the transactions by means of CUP Card can be completed. The CUP Card is a payment card which can be classified into credit card and debit card. When CUP Cards are issued to card members, card members may use their CUP Cards at merchants installed with POS card terminals that can accept CUP Cards to conduct transactions in case card members are purchasing products and services offered at the merchants and prefer not to use cash or check for payment.

According to the information provided by CUP, in terms of transaction amount for debit cards, the Group processed the most CUP transactions in 2006, 2007 and 2008 in Thailand, with a CUP transaction market share of approximately 50.06%, 51.20% and 54.83% respectively. The Group has been expanding its coverage in Bangkok, Phuket, Pattaya, Chiang Mai, Chiang Rai and Koh Samui. The Group installed/upgraded 380, 381 and 470 active POS card terminals that can accept CUP Cards in Thailand for the three years ended 31 March 2009. The average transaction amount for the three

years ended 31 March 2009 was Baht 9,400 (equivalent to approximately HK$2,068), Baht 7,000 (equivalent to approximately HK$1,540) and Baht 6,500 (equivalent to approximately HK$1,430) respectively. As at 30 June 2009, there were 471 POS card terminals installed for CUP Card acceptance business, which are all active POS card terminals installed at Thai merchants. Among those 471 POS card terminals, 130 were deployed by the Group and 341 were deployed by SCB.

With respect to the development of the Group's co-branded card partnership business in the PRC, the Group teamed up with the Hainan provincial branch of BOCOM to promote The Pacific-OCG Golf Card to targeted golfing customers. The Pacific-OCG Golf Card was the first lifestyle golf payment card issued by the Hainan provincial branch of BOCOM in the PRC and was launched in July 2005. BOCOM is one of the largest commercial banks in the PRC and Hainan province is reputed to be the PRC's resort area with a dozen golf courses. Under the cooperation agreement with BOCOM's Hainan provincial branch, the Group is responsible for marketing and promotion, whilst BOCOM's Hainan provincial branch is responsible for the card issuance and customer services. The Group conducts its business by promoting The Pacific-OCG Golf Card at major golf clubs and lifestyle golf establishments (including but not limited to golf courses, golf equipment and merchandise retail shops, golf practice/driving ranges, and golf associations) frequented by golfing customers. The golfing services provided under these co-branded cards are used in Hainan Province, while the cards themselves can be used as common debit cards elsewhere in the PRC.

The Group has two principal revenue streams, namely card acceptance business and co-branded card partnership business. Revenue derived from the Group's card acceptance business comprises transaction fee income and foreign exchange rate discount income. Card acceptance transaction fee income is derived from the Group's operation in sourcing merchants to install the POS card terminals and processing transactions through the network as built. The card acceptance transaction fee income derived is shared among the Group, the Group's bank partner and CUP on a proportionate basis. The transaction fee is only payable if the card transaction is successfully carried out through a POS card terminal. In addition, the Group benefits from an arrangement whereby it earns foreign exchange rate discount income through a guaranteed discount offered by CUP amounting to 0.5% to the spot exchange rate of the US$ against Baht to cover the Group for the volatility of Baht between the transaction date and the settlement date. This foreign exchange rate discount income is an additional source of income in distributing funds (in US$) from CUP to various merchants (in Baht) which have joined OCG Thailand's card acceptance network. Both of these income sources originate from the card acceptance business and thus they are considered to be one business segment instead of two.

Revenue relating to the co-branded card partnership business comprises card annual fee income (an annual financial charge payable to the issuer of the payment cards by cardholders and normally billed directly to the cardholders' annual statements) and card transaction fee income (a transaction fee payable to the card issuing bank by the merchants if the transaction is carried out through a POS card terminal with the card issued by the relevant card issuing bank). The card transaction fee income derived is shared with the card issuing bank, which is in the relevant business partnership with the Group, on a proportionate basis. Co-branded card annual fee income and transaction fee income are directly related to the Group's efforts in marketing and promotion of the issue and use of the co-branded cards. They are subject to the same risks and rewards. Thus, they are considered to be one business segment instead of two.

SUMMARY

For the three years ended 31 March 2009, the Group's turnover attributable to the card acceptance business accounted for the largest share of the Group's turnover. Set out below is the breakdown of the Group's revenue by business and geographical segments during the Track Record Period:

Revenue

	Year ended 31 March					
	2007		**2008**		**2009**	
	HK$	*% of total revenue*	*HK$*	*% of total revenue*	*HK$*	*% of total revenue*
Thailand						
Card acceptance transaction fee income	1,380,504	74.7%	4,430,024	60.9%	5,838,660	74.8%
Foreign exchange rate discount income	296,992	16.0%	2,717,678	37.3%	1,869,622	23.9%
Sub-total	1,677,496	90.7%	7,147,702	98.2%	7,708,282	98.7%
The PRC						
Co-branded card annual fee income	91,780	5.0%	86,087	1.2%	74,307	1.0%
Co-branded card transaction fee income	79,660	4.3%	46,308	0.6%	24,856	0.3%
Sub-total	171,440	9.3%	132,395	1.8%	99,163	1.3%
Total	1,848,936	100%	7,280,097	100%	7,807,445	100%

Gross profit and gross profit margin:

	Year ended 31 March					
	2007		2008		2009	
	HK$	*Gross Profit %*	*HK$*	*Gross Profit %*	*HK$*	*Gross Profit %*
Thailand						
Card acceptance transaction fee income	154,253	11%	543,639	12%	735,975	13%
Foreign exchange rate discount income	296,992	100%	2,717,678	100%	1,869,622	100%
Sub-total	451,245	27%	3,261,317	46%	2,605,597	34%
The PRC						
Co-branded card annual and transaction fee income	153,167	89%	131,088	99%	97,583	98%
Total	604,412	33%	3,392,405	47%	2,703,180	35%

KEY DEVELOPMENT MILESTONES

The following are the key milestones in the Group's development:

Month/Year	Development
November 2001	Mr. Yu, founder and Chairman of the Company incorporated OCG HK, a wholly-owned subsidiary of OCG UK, the holding company of the Controlling Shareholder
February 2002	OCG HK launched its first lifestyle payment card in Hong Kong, namely "Golf VISA" partnered with an Asia-based international bank (discontinued in June 2007 following expiry of the relevant agreement)
Early 2004	(a) OCG HK approached BOCOM's Hainan provincial branch to develop the business of payment card business in the PRC (b) CUP approached OCG HK to evaluate expanding CUP Card acceptance services from the PRC to international markets

SUMMARY

February 2004	OCG HK entered into a memorandum of understanding with BOCOM's Hainan provincial branch to assist BOCOM to develop lifestyle card issuance business in the PRC
April 2004	OCG HK entered into a memorandum of understanding with CUP to assist CUP in developing and promoting the CUP Card acceptance business internationally outside the PRC
27 September 2004	OCG Thailand was established and incorporated in Thailand
28 November 2004	OCG Thailand entered into a bankcard acquiring agreement with CUP to assist CUP in promoting CUP's international card acceptance platform in Thailand
23 December 2004	OCG Thailand entered into a non-exclusive bankcard acquiring agreement with CUP and Bangkok Bank Public Company Limited for CUP Card transactions, and the relevant service was formally launched in January 2005
24 February 2005	OCG HK entered into an agreement with BOCOM's Hainan provincial branch to develop the lifestyle golf payment card business in the PRC, and the first card issued pursuant to this cooperation was The Pacific-OCG Golf Card
24 October 2005	OCG China, one of the Group's subsidiaries, was established and wholly owned by OCG HK
1 April 2006	OCG Thailand entered into a new bankcard acquiring agreement with CUP to promote its international card acceptance platform
7 June 2006	OCG UK was incorporated with limited liability in England and Wales in preparation for listing on PLUS and was then wholly-owned by Phenom Resources Inc.
3 July 2006	OCG Thailand entered into a participation agreement with SCB in respect of electronic data capture/POS card terminals development for CUP Card acceptance business in Thailand. There is no fixed term provided under such participation agreement
24 August 2006	OCG Thailand entered into the first amendment to the SCB participation agreement in respect of electronic data capture machine to clarify the term of "working days"
22 November 2006	OCG International and OCG Asia were incorporated in the BVI with limited liability as the immediate holding companies of the group of OCG HK for the purpose of the PLUS listing of OCG UK

SUMMARY

12 March 2007	OCG UK, the holding company of the group of OCG HK, was listed on PLUS in London
22 March 2007	Trading in the shares of OCG UK, the holding company of OCG HK, commenced on the Frankfurt Stock Exchange as a company quoted on the Open Market of the Frankfurt Stock Exchange
7 May 2007	Oriental City Group Hong Kong Limited, OCG China (BVI) and OCG Thailand (BVI) were incorporated in the BVI with limited liability and each of which was wholly-owned by OCG Asia
1 June 2007	Oriental City Group Hong Kong Limited acquired the entire issued share capital of OCG HK from OCG (Asia) at a total consideration of HK$10,000
20 July 2007	(a) Pursuant to an equity interest transfer agreement entered into between OCG HK and OCG China (BVI), OCG HK transferred its entire equity interest in OCG China to OCG China (BVI) (b) OCG China (BVI) acquired from OCG HK its 100% equity interest in OCG China at a total consideration of HK$10,000
16 October 2007	OCG Thailand (BVI) acquired 1,225,000 shares of OCG Thailand, representing 49% of its issued share capital, from OCG HK at a total consideration of HK$10,000
26 November 2007	Pursuant to the supplemental agreement entered into among OCG HK, OCG China and BOCOM's Hainan provincial branch, OCG HK assigned all its rights, interests, responsibilities and obligations under the agreement entered into between OCG HK and BOCOM's Hainan provincial branch and dated 24 February 2005 to OCG China
12 December 2007	The Company was incorporated as an exempted company in the Cayman Islands under Companies Law
15 February 2008	OCG China and BOCOM's Hainan provincial branch entered into a new agreement to further develop the business of the payment card business in the PRC

30 June 2008	OCG China (BVI), the immediate holding company of OCG China, entered into a "cooperation memorandum" with the Shanghai Pudong Development Bank in relation to the proposed cooperation between the said parties in the issue of new lifestyle credit and debit cards. The Board has decided to put the program on hold until 2010 with a view to launching the program under a more stable economic climate
September 2008	OCG Thailand began to utilize a new type of POS terminal that applies GSM/GPRS wireless technologies. This new type of mobile POS card terminals allows merchants located in areas which may not have reliable access to traditional land-based telephone lines to use the services provided under the Group's card acceptance business and has enhanced the POS card terminal coverage.
[•••] 2009	The Group underwent the Reorganisation in preparation for the listing of the Shares on GEM whereby the Company became the holding company of the Group

PRINCIPAL COMPETITIVE STRENGTHS

The Directors believe that continuing growth in the levels of per capita disposable income in the PRC will lead to greater demand within the PRC for lifestyle products such as those being considered by the Group and will stimulate higher outgoing tourist traffic from the PRC. Such growth will be of benefit to the Group's core businesses, which comprise its growing card acceptance business, currently mainly focused in Thailand, and its co-branded card partnership business in the PRC, where it has established a foothold with its cooperation with BOCOM's Hainan provincial branch.

The Directors consider that the Group possesses the following principal competitive strengths:

(a) Being the leading CUP card acceptance business provider in Thailand;

(b) Proven win-win and productive business partnership with giant partners like China Unionpay and BOCOM;

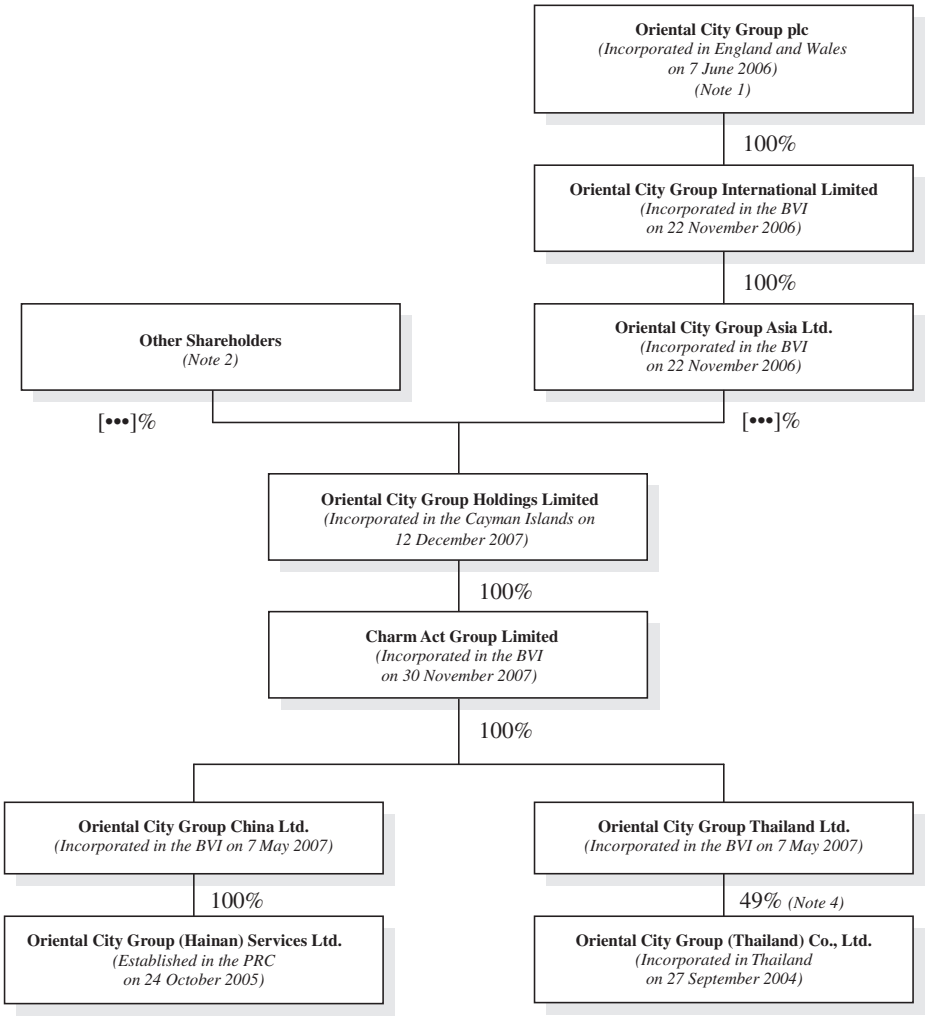
(c) Simple corporate and regional team management structure to work with business partners and execute business strategies effectively and speed and efficiency in transforming business concepts and opportunities into a productive business platform; and

(d) Experienced management team with strong industry expertise.

SUMMARY

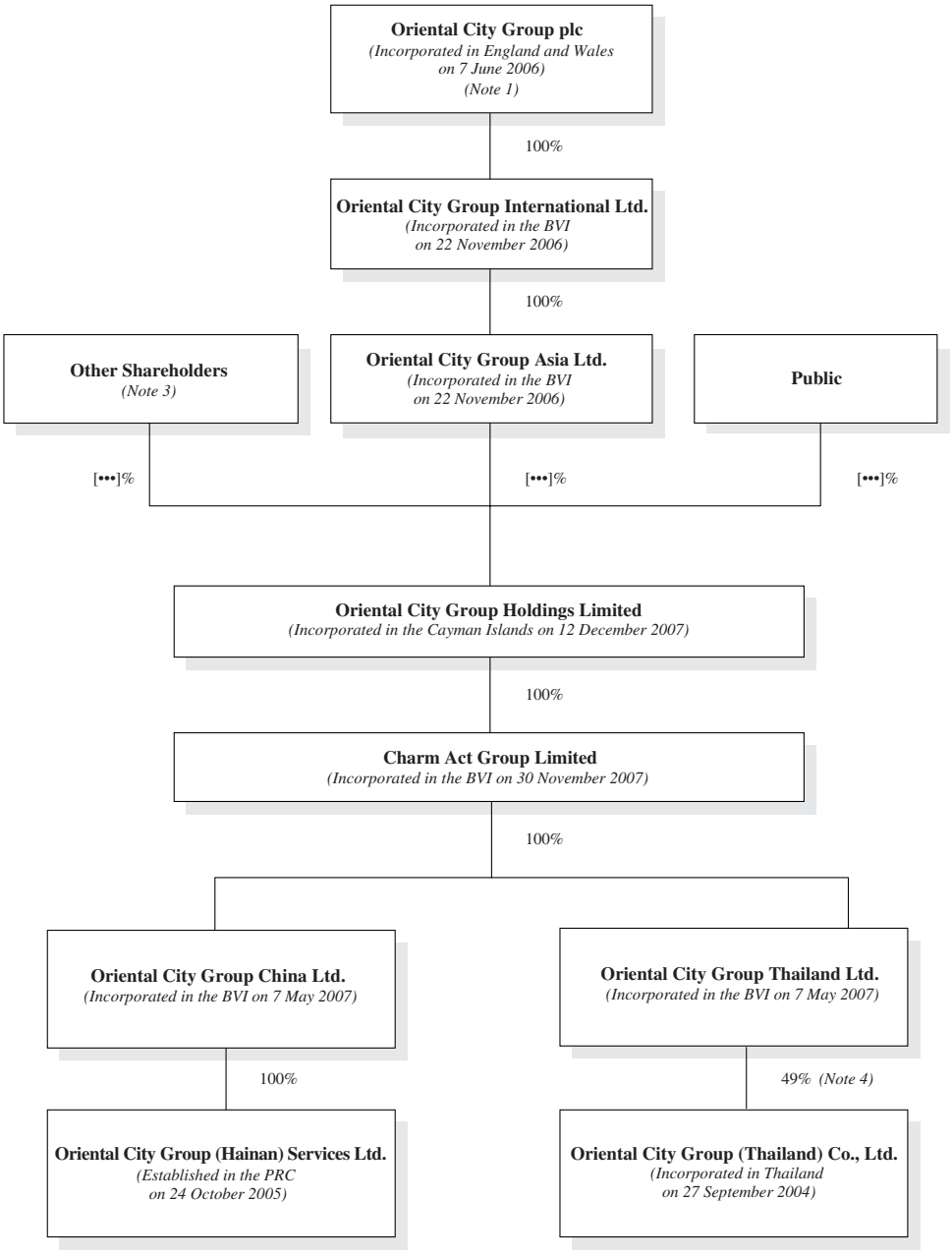
SHAREHOLDING AND CORPORATE STRUCTURE

The chart below sets out the shareholding and the corporate structure of the Company, including its shareholders and its subsidiaries, immediately before completion of the Placing and the Capitalisation Issue:



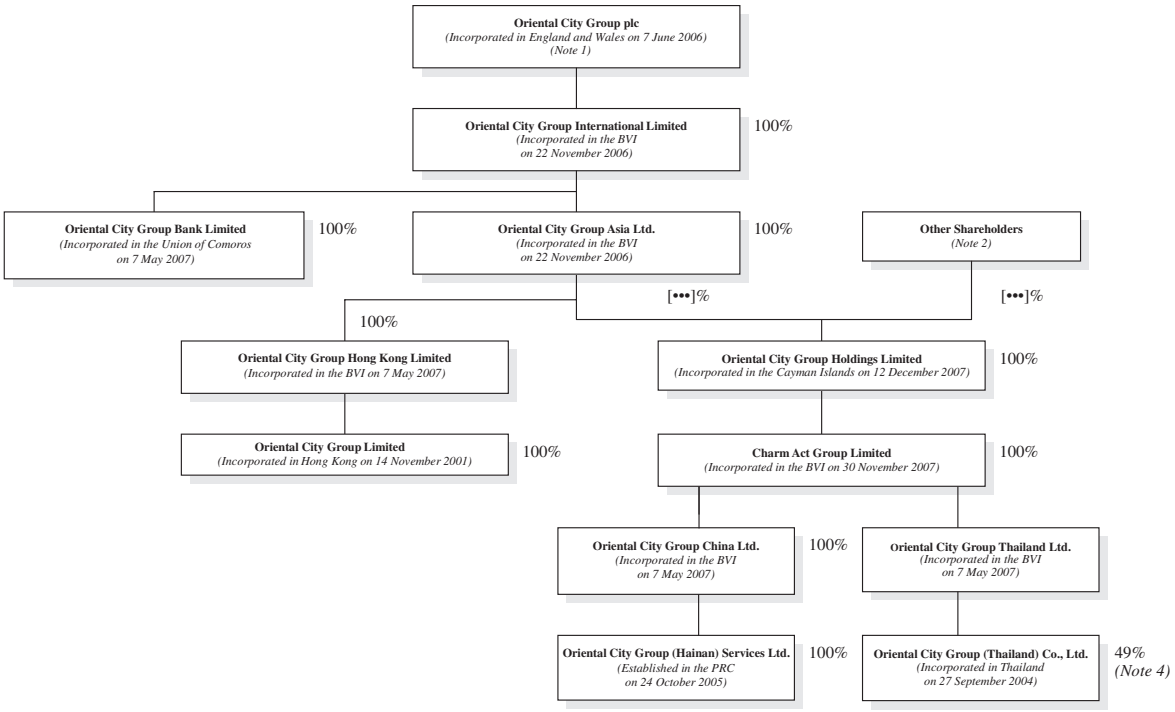
SUMMARY

The chart below sets out the shareholding and the corporate structure of the Company, including its shareholders and its subsidiaries, immediately following completion of the Placing and the Capitalisation Issue (assuming that the Offer Size Adjustment Option is not exercised), and without taking into account any Shares that may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme:

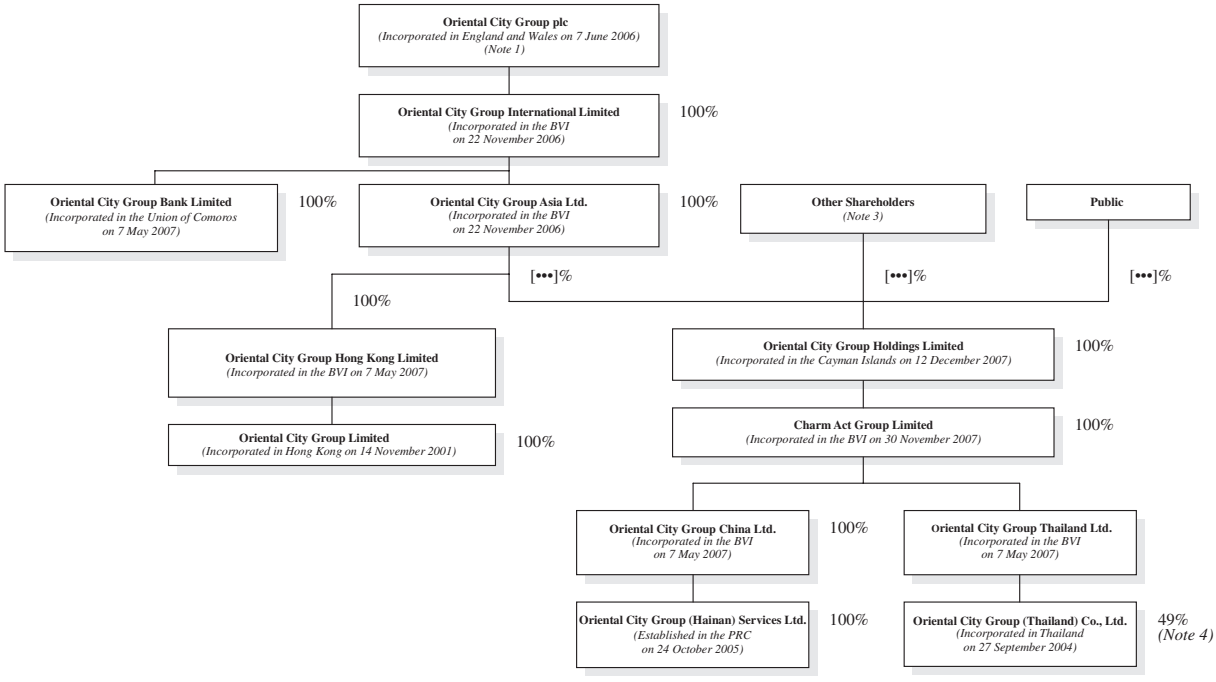


SUMMARY

The chart below sets out the shareholding and the corporate structure of OCG UK, including its shareholders and its subsidiaries, immediately before completion of the Placing and the Capitalisation Issue:



The chart below sets out the shareholding and the corporate structure of OCG UK, including its shareholders and its subsidiaries, immediately following completion of the Placing and the Capitalisation Issue (assuming that the Offer Size Adjustment Option is not exercised), and without taking into account any Shares that may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme:



Notes:

1. According to the information provided by OCG UK and to the best knowledge of the directors of OCG UK, as at the Latest Practicable Date, Straum Investments Limited, Jefferies International (Nominees Limited), Lynchwood Nominees Limited, Deutsche Bank AG, Vidacos Nominees Limited and JIM Nominees Limited which hold approximately 45.36%, 13%, 7.2%, 5.52%, 5.48% and 5.17% of the total issued shares of OCG UK respectively, are the only shareholders of OCG UK holding more than 5% shareholding in OCG UK.

2. Details of the shareholdings of the Other Shareholders immediately before completion of the Placing and the Capitalisation Issue are as follows:

Name	**Number of Shares held**	**Shareholding**
Mr. Yu *(an executive Director)*	[•••]	[•••]%
Ms. Wong Lai Chun *(a non-executive Director)*	[•••]	[•••]%
Mr. Sung Hak Keung, Andy *(a member of the senior management of the Group)*	[•••]	[•••]%
Mr. Kanjanapas Shui Yiu Kelvin *(an ex-director of OCG Thailand who is not holding any position within the Group as at the Latest Practicable Date. Mr. Kanjanapas Shui Yiu Kelvin holds 1,999,970 or approximately 99% of the total registered shares of VGI Group Co., Ltd.)*	[•••]	[•••]%

3. Details of the shareholdings of the Other Shareholders upon completion of the Placing and the Capitalisation Issue are as follows:

Name	**Number of Shares held**	**Shareholding**
Mr. Yu *(an executive Director)*	[•••]	[•••]%
Ms. Wong Lai Chun *(a non-executive Director)*	[•••]	[•••]%
Mr. Sung Hak Keung, Andy *(a member of the senior management of the Group)*	[•••]	[•••]%
Mr. Kanjanapas Shui Yiu Kelvin *(an ex-director of OCG Thailand who is not holding any position within the Group as at the Latest Practicable Date. Mr. Kanjanapas Shui Yiu Kelvin holds 1,999,970 or approximately 99% of the total registered shares of VGI Group Co., Ltd.)*	[•••]	[•••]%

4. OCG Thailand (BVI) owns approximately 49% of the total issued share capital of OCG Thailand. OCG Thailand (BVI) is a company incorporated under the laws of the BVI with limited liability on 7 May 2007 and an indirect wholly-owned subsidiary of the Company. OCG Thailand is owned by 3 shareholders and is owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong, the latter 2 shareholders all being Thai nationals. Details of the shares of OCG Thailand comprising ordinary shares and preference shares and the relevant arrangements are set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus. As such arrangements give the Group control over OCG Thailand, the financial results of OCG Thailand are combined into the Group's combined financial information by the merger accounting method.

Following completion of the Capitalisation Issue and the Placing, the shareholding of the existing shareholders of the Company who, in each case, hold Shares as registered owners in the issued share capital of the Company (assuming that the Offer Size Adjustment Option and the options that may be granted under the Share Option Scheme are not exercised), the cost at which they acquired their shareholdings and the relevant moratorium periods are set forth below:–

Name of shareholders	**Date of first becoming interested in the Company**	**Number of Shares directly held immediately after completion of the Capitalisation Issue and the Placing**	**Approximate percentage of shareholding immediately after completion of the Capitalisation Issue and the Placing** *(%)*	**Approximate cost of investment per Share** *(HK$)*	**Total cost of investment** *(HK$)*	**Moratorium period commencing from the date of this prospectus** *(Note 6)*
Initial Management Shareholders						
OCG Asia *(Note 1)*	12 December 2007	[•••]	[•••]	[•••]	[•••]	12 months
Mr. Yu *(Notes 1 and 2)*	12 December 2007	[•••]	[•••]	[•••]	[•••]	12 months
Ms. Wong Lai Chun *(Note 3)*	[•••] 2009	[•••]	[•••]	[•••]	[•••]	12 months
Mr. Sung Hak Keung, Andy *(Note 4)*	[•••] 2009	[•••]	[•••]	[•••]	[•••]	12 months
Other shareholders						
Mr. Kanjanapas Shui Yiu Kelvin *(Note 5)*	[•••] 2009	[•••]	[•••]	[•••]	[•••]	12 months

Notes:

1. Oriental City Group Asia Limited (formerly known as Vision Wave International Limited), a company incorporated under the laws of the BVI with limited liability on 22 November 2006 and a wholly-owned subsidiary of OCG International which is in turn wholly-owned by OCG UK.

2. Mr. Yu is an executive Director. Mr. Yu is the beneficial owner of [•••] Shares and is deemed to be interested in 402,000,000 Shares held by OCG Asia under the SFO by virtue of his entire beneficial interest in Straum Investments Limited, a controlling shareholder of OCG UK.

3. Ms. Wong Lai Chun is a non-executive Director.

4. Mr. Sung Hak Keung, Andy is a member of the senior management of the Group.

5. Mr. Kanjanapas Shui Yiu Kelvin is an ex-director of OCG Thailand. He holds 1,999,970 shares or approximately 99% of the total registered shares of VGI Group Co., Ltd.

6. The moratorium period commences from the date of this prospectus and ends on the date which is 12 months from the Listing Date.

FORMER CONTRACTUAL ARRANGEMENTS OF OCG THAILAND PRIOR TO THE RESTRUCTURING

During the Track Record Period, the Group and Mr. Limpkittisin had entered into a number of agreements in relation to OCG Thailand, as listed below, such that the Group was able to comply with the relevant Thai laws and regulations on foreign invested companies. During the Track Record Period, OCG Thailand was owned by not more than 10 shareholders and immediately prior to the restructuring completed in April 2009, it was owned as to 49% by OCG Thailand (BVI), 39.99988% by Mrs. Nongluck Anantachote, 11% by Mr. Limpkittisin, and 0.00004% by each of Ms. Penchan Tungcharuwatanachai, Mr. Mantan Saihad and Miss Patcharin Pinkoksoong, the latter 5 shareholders all being Thai nationals prior to the restructuring. Such contractual arrangements then rendered OCG Thailand (BVI) to have the right to receive all economic benefits and exercise equity owners' rights over the 11% interests then held by Mr. Limpkittisin in OCG Thailand. Details of the Structured Contracts are disclosed in the paragraph headed "Former contractual arrangements of OCG Thailand prior to the restructuring" in the section headed "Business" of this prospectus. As the Structured Contracts gave the Group effective control over OCG Thailand during the Track Record Period, the financial results of OCG Thailand were combined in the Group's combined financial information by the merger accounting method to the extent of 60%.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, as Thai shareholders owned a majority of the equity interests in OCG Thailand, OCG Thailand should not fall within the definition of a "foreigner" within the meaning of the FBA and therefore should not be required to obtain the relevant regulatory approval under the FBA. To obtain the regulatory approval, an applicant must submit an application together with supporting documents to the MOC.

Although the Company's Thai legal advisers, Somphob Tax and Law Office Ltd., confirmed that the Structured Contracts between OCG Thailand (BVI) and Mr. Limpkittisin were in compliance with the existing laws and regulations of Thailand, there can be no assurance that any change of law or practice will not render the Structured Contracts to have been illegal or not having been regarded as in compliance with the Thai laws by the relevant Thai governmental or judicial authorities. Furthermore, there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a purposive interpretation or application of the Thai laws and regard the Structured Contracts as not having been in compliance with Thai laws. If the Structured Contracts are held to have been in violation of any Thai laws, the relevant Thai regulatory authorities may rule and order that OCG Thailand (BVI) and Mr. Limpkittisin have violated the FBA.

In the event that the former Structured Contracts are challenged by the relevant Thai authority, the authority may also refer the case to the court for judgment and fines and penalties may apply to OCG Thailand (BVI) and Mr. Limpkittisin – although the authority has not exercised such power and ruled against any similar contractual arrangement. If OCG Thailand (BVI) or any of respective shareholders of OCG Thailand was to be found to have been in violation of any existing or future Thai laws or regulations, the regulatory authority would have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) and order for cessation of operation. Mr. Limpkittisin and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, there has been no ruling or decision of the official of the MOC deciding that the arrangement under the former Structured Contracts is held to be invalid and illegal as opposed to the FBA or MOC regulations. There has been no precedent in the Supreme Court of Thailand on the invalidity of a similar arrangement to the Structured Contracts as being opposed to the FBA. Moreover, the Structured Contracts have been terminated as a result of the repayment of the loan by Mr. Limpkittisin and all the shares in OCG Thailand held by him have been transferred to OCG Thailand (BVI) pursuant to the Share Purchase Agreement. The likelihood of the arrangement under the Structured Contracts being scrutinized by the relevant authorities for any offences under the FBA is minimal.

PREFERENCE SHARES STRUCTURE ARRANGEMENT OF OCG THAILAND

Following a restructuring of the shareholding structure of OCG Thailand on 28 April 2009, which was completed on 30 April 2009 following the completion of the necessary registration arrangements, OCG Thailand is a Thai company with a foreign shareholder (OCG Thailand (BVI)) holding 49.18033% shares, whilst 50.81964% is held by Mrs. Nongluck Anantachote and 0.00003% is held by Miss Patcharin Pinkoksoong, the latter 2 shareholders being Thai nationals. Through the preference shares structure arrangement, OCG Thailand (BVI) shall have 57.47126% voting rights in OCG Thailand.

The following table sets out the shares, voting power and ordinary dividend entitlement in respect of OCG Thailand held by each of the shareholders of OCG Thailand:

	Ordinary share capital		Preference share capital		Total share capital			
	No. of shares	%	No. of shares	%	No. of shares	%	Voting Power	Ordinary dividend entitlement
OCG Thailand (BVI)	1,500,000	60.00000%	–	0%	1,500,000	49.18033%	57.47126%	60.00000% *(Note)*
Mrs. Nongluck Anantachote	999,999	39.99996%	550,000	100%	1,549,999	50.81964%	42.52870%	39.99996%
Miss Patcharin Pinkoksoung	1	0.00004%	–	0%	1	0.00003%	0.00004%	0.00004%
	2,500,000	100.00000%	550,000	100%	3,050,000	100.00000%	100.00000%	100.00000%

Note: The Group is entitled to 60% of the economic benefits as an ordinary shareholder of OCG Thailand.

In terms of voting powers, 1 ordinary share is equivalent to 5 preference shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on any resolution of OCG Thailand.

The holders of 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% of the paid up amount of the shares issued, prior to the holders of 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 holders of ordinary shares, but limited to the paid up amount of each of the preference shares.

Under Article 7 of the Articles of Association of OCG Thailand, the holders of preference shares are entitled to receive only the cumulative dividend declared by OCG Thailand at the rate of 9% of the paid-up value of the shares issued, prior to the holders of ordinary shares. The holders of preference shares shall have no right to receive further dividends in addition to the 9% cumulative dividend as provided in Article 7 above.

Mrs. Nongluck, and Ms. Patcharin are Thai nationals who hold a total of 50.81967% share capital of OCG Thailand.

Pursuant to the preference shares structure arrangement as described above, OCG Thailand (BVI) is entitled to receive 60% benefit on the dividend declared to the ordinary shareholders of OCG Thailand at any time, to participate in 60% of the residue net assets, after the repayment of any paid up preference share capital, of OCG Thailand upon its winding up and obtain more than 57% voting power in the shareholders meeting of OCG Thailand.

Although the Company's Thai legal advisers, DLA Piper (Thailand) Limited, advised that the current shareholding structure of OCG Thailand, which includes a preference shares structure arrangement allowing foreign shareholders to have more voting rights, does not violate the FBA and other existing laws and regulations of Thailand, there can be no assurance that any change of law or practice will not render this preference shares structure arrangement illegal or not being regarded as in compliance with the Thai laws by the relevant Thai governmental or judicial authorities. Furthermore, there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a purposive interpretation or application of the Thai laws and regard such preference shares structure arrangement as being in compliance with Thai laws. If such preference shares structure arrangement is held to be in violation of any Thai laws, the relevant Thai regulatory authorities may rule that OCG Thailand (BVI) and the Thai shareholders violated the FBA, and that such preference shares structure arrangement be cancelled and OCG Thailand restructures its shareholding to be otherwise in compliance with the laws.

In the event that the preference shares structure arrangement is held to be in violation of the laws subsequently enacted in the future, the relevant Thai authority may order OCG Thailand to change its shareholding structure to be otherwise within a certain period, failing which the authority may refer the case to the court for judgment and fines and penalties may apply to OCG Thailand (BVI) and violator. If OCG Thailand or any of its respective subsidiaries or shareholders is found to be in violation of any existing or future Thai laws or regulations, the regulatory authority will have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) and order for cessation of operation. Mrs. Nongluck Anantachote, Miss Patcharin Pinkoksoong and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk. Furthermore, the Company may not be able to treat OCG Thailand as a subsidiary unless the Company can demonstrate that it still has the "*power to govern the financial and operating policies of an entity so as to obtain benefits*" from the activities of OCG Thailand with reference to the factors set out under Hong Kong Accounting Standards 27.13. Please refer to the risk factor titled "There is no assurance that the current preference shares structure arrangement relating to OCG Thailand and between OCG Thailand (BVI), Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong will be in compliance with future laws and regulations in Thailand" for details.

As set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus, the Company's Thai legal advisers, DLA Piper (Thailand) Limited, also advised that there is no previous Supreme Court judgement ruling the existing preference shares structure arrangement to be in violation of FBA. In addition, the Council of State rules that it is also legitimate if the holders of the preference shares have the right to receive dividend at a rate better than general investment while receiving less favorable voting rights. The Company's Thai legal advisers have further opined that the preference shares structure arrangement has been widely implemented by a number of private business operators in Thailand.

DISPUTES BETWEEN OCG HK AND AN EX-BUSINESS PARTNER

OCG HK and an ex-business partner of OCG HK entered into certain partnership agreements in 2002 and in 2005. There are currently disputes between OCG HK and such ex-business partner in relation to such agreements. The Directors and the Sponsor are of the view that the disputes between OCG HK and such ex-business partner will not have any financial impact on the Group.

Please refer to the risk factor titled "Disputes between OCG HK and an ex-business partner" in the section headed "Risk factors" of this prospectus for further information.

BUSINESS OBJECTIVES AND STRATEGIES

The Group will continue to expand its card acceptance and co-branded card partnership business in the forthcoming future. The Group aims to expand its CUP Card acceptance business to other countries and markets in accordance with the outgoing tourist traffic trends in the PRC, and the Group will expand its banking partnership in those markets to provide settlement bank services to the merchants there. Whilst working with BOCOM's Hainan provincial branch on The Pacific-OCG Golf Card, the Group is also exploring partnership with other banks in the PRC to expand the co-branded partnership card business.

Expansion of market share of co-branded card partnership business

To cope with the Group's co-branded card partnership business expansion, the strategic target of the Group is to enlarge its market share in the payment cards industry in the PRC. Geared up with successful experience in card marketing and services platform delivery, the Group is planning to launch different lifestyle card programs partnering with quality business partners and leading banks. Besides, the Group will further expand its merchant offers category in the PRC by networking with relevant merchants to form diversified services platforms to provide value-added quality services to lifestyle card members. More lifestyle cards are in the process of planning for launch in the PRC in 2009, which include a "Health and Beauty Card", a "Family Card", an "Entertainment Card" and the "Auto Card". Moreover, to further expand its lifestyle card market share in the PRC, the Group plans to expand to other key cities in the PRC including Beijing, Shanghai and in Southern China for quality marketing campaigns. The Group targets to promote The Pacific-OCG Golf Cards in 1 to 2 more cities in the PRC and launch 1 more lifestyle card in the PRC for the year ending 31 March 2010. As at the Latest Practicable Date, the Group has approached certain financial institutions to launch the lifestyle cards but such discussions are still at a preliminary stage and no conclusive agreement has been reached.

Expansion of geographical coverage of CUP Card acceptance business to other cities

Expecting a growing demand for use of payment cards, the Group is actively exploring the possibility to deploy POS card terminals that can accept CUP Cards in gaming and entertainment establishments in Macau to capture the anticipated high volume transactions of the Chinese tourists. The Group intends to expand its CUP Card acceptance services to locations with high Chinese tourist traffic, with an initial focus on southeast Asian countries such as Thailand and Laos. Meanwhile, the Group targets to expand its card acceptance business in Macau in 2010.

In addition to the above, the Group targets to increase the Group's revenue in respect of the card acceptance business and maintain its CUP market share leader position in Thailand for the year ending 31 March 2010. For OCG China, the Group targets to generate more revenue from The Pacific-OCG Golf Cards and the newly-launched lifestyle cards in the PRC for the year ending 31 March 2010.

SUMMARY

TRADING RECORD

The following table summarises the Group's audited combined financial results for each of the three years ended 31 March 2009, which is based on the information included in the accountants' report as set out in Appendix I to this prospectus.

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Revenue	1,848,936	7,280,097	7,807,445
Cost of services rendered	(1,244,524)	(3,887,692)	(5,104,265)
Gross profit	604,412	3,392,405	2,703,180
Other income	264,236	209,095	32,072
Administrative expenses	(2,516,619)	(3,128,844)	(2,639,029)
Distribution costs	(53,969)	(127,500)	(48,711)
(Loss) Profit before taxation	(1,701,940)	345,156	47,512
Taxation	–	–	307,977
(Loss) Profit for the year	(1,701,940)	345,156	355,489
Attributable to:			
Equity holders of the Company	(1,701,940)	345,156	(145,451)
Minority interests	–	–	500,940
	(1,701,940)	345,156	355,489

RISK FACTORS

The Directors consider that the operations and results of the Group are subject to certain risks which may be categorised into (i) risks relating to the Group; (ii) risks relating to the business and operations; (iii) risks relating to the industry; (iv) risks relating to markets in which the Group operates and (v) risks relating to the Shares. These risk factors are set out in detail in the section headed "Risk factors" in this prospectus. Among them, the key risk factors are summarized as follows:

Risks relating to the Group

- Ongoing financial crisis and economic downturn
- Economic, political and social conditions in Thailand

SUMMARY

- The Group's business depends on co-operation with its major partners and any loss of such business partners could materially and adversely affect the Group's business and financial position and its future prospects
- There is no assurance that the former contractual arrangements between OCG Thailand (BVI) and Mr. Limpkittisin would be in compliance with the existing laws and regulations of Thailand
- There is no assurance that the current preference shares structure arrangement relating to OCG Thailand and between OCG Thailand (BVI), Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong will be in compliance with future laws and regulations of Thailand
- Unproven track record of the Group's operations
- The Group's gross profit margin is volatile
- Reliance on key management
- The Group may not have sufficient funds to meet its liabilities on a timely basis
- Dividend policy
- No finite plan for OCG Thailand to distribute dividend
- The Group will have to incur tax payments after its losses are fully absorbed
- The Group's revenue from its card acceptance business is subject to seasonal fluctuations
- The preferential tax treatment to OCG China in the PRC will expire and may be subject to changes in the PRC laws or policies
- CUP sponsorship fees are not recurring income of the Group
- The Group may not be able to implement its expansion plans on a timely basis
- Lack of sufficient cash flow may affect the Group's operation
- Significant promotion and marketing costs and corporate administrative expenses may affect the Group's financial position
- Non-registration of lease of the Group in the PRC

SUMMARY

Risks relating to the business and operations

- Reliance on major suppliers for operation
- The failure of third-party software and equipment used in the operation of the Group's card acceptance business may cause interruptions to its business
- Inadequate backup systems, network resilience and diversity may result in service disruption
- Reliance on local supplier for NAC server and software development and maintenance in Thailand
- Foreign exchange rate risk
- Regulatory risks
- Recurrence of Severe Acute Respiratory Syndrome (SARS) and outbreak of avian flu and other epidemics
- The Controlling Shareholder has potential conflicts of interests with the Group which may adversely affect the Group's business
- If the trend of decline in the number of active users of the Pacific-OCG Golf Card and the related transaction volume continues, there is no assurance that the Group will be able to sustain its co-branded card business line
- Disputes between OCG HK and an ex-business partner
- The Group may be held liable for leakage of private and confidential information

Risks relating to the industry

- Competition
- Concerns about the security and confidentiality of information on transactions of payment by cards may reduce use of debit and credit cards

Risks relating to markets in which the Group operates

- Economic, political and social conditions in the PRC
- Changes in regulations policies could have a material adverse effect on the Group's business, financial condition and results of operations

WAIVERS FROM STRICT COMPLIANCE WITH RULE 12.07 OF THE GEM LISTING RULES

The Stock Exchange has granted to the Company a waiver from strict compliance with Rule 12.07 of the GEM Listing Rules in respect of the Company's listing application dated 31 December 2007 which lapsed on 30 June 2008 for a period up to 19 February 2009 so as to allow the Initial Application to continue to be considered under the then existing GEM Listing Rules at the time of the Initial Application, i.e. those effective immediately before 1 July 2008. On 13 February 2009, the Stock Exchange granted to the Company a waiver from strict compliance with Rule 12.07 of the GEM Listing Rules for the period from 19 February 2009 to 27 February 2009. On 13 March 2009, the Stock Exchange granted to the Company a further waiver from strict compliance with Rule 12.07 of the GEM Listing Rules for a period up to 31 August 2009. Please refer to the section headed "Waivers from strict compliance with the GEM Listing Rules" of this prospectus for further information.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the following meanings:–

"Active Business Pursuits Period"	the three years ended 31 March 2009 and the period from 1 April 2009 to the Latest Practicable Date
"Assignment"	an assignment dated 28 December 2007 entered into between OCG HK, OCG Thailand (BVI) and Mr. Limpkittisin
"associate"	has the meaning ascribed thereto under the GEM Listing Rules
"Baht"	Baht, the lawful currency of Thailand
"Banking Ordinance"	the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Big Four Banks in the PRC"	Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank
"Board"	the board of directors of the Company
"BOCOM"	Bank of Communications Co., Ltd (交通銀行股份有限公司), an Independent Third Party
"BOI"	Board of Investment, Thailand
"Business Day"	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands
"Capitalisation Issue"	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company as referred to in the paragraph headed "Changes in share capital of the Company" in Appendix V to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chinese tourists"	tourists from the PRC
"Companies Law"	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

DEFINITIONS

"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Oriental City Group Holdings Limited (奧思知集團控股有限公司), an exempted company incorporated on 12 December 2007 in the Cayman Islands with limited liability
"Co-lead Manager"	Fordjoy Securities and Futures Limited
"Conclusions"	the "Consultation Conclusions on GEM" published by the Stock Exchange on 2 May 2008
"Controlling Shareholder"	any person who is or a group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board, i.e. OCG Asia and Mr. Yu
"Controlling Shareholder Group"	the group of companies under OCG UK (excluding the Group)
"CSRC"	China Securities Regulatory Commission
"CUP" or "China Unionpay"	中國銀聯股份有限公司 (China Unionpay Company Limited), a company established in the PRC and an Independent Third Party
"Director(s)"	the director(s) of the Company
"FBA"	the Foreign Business Act of Thailand of 1999
"GBP"	British Pound, the lawful currency of the United Kingdom
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"GEM Website"	the website operated by GEM with the domain name of www.hkgem.com

DEFINITIONS

"Group"	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the companies that are the present subsidiaries of the Company or any of them
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" and "cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hypercom"	Hypercom (Thailand) Co. Ltd., a service provider for secured payment transaction systems (include mobile POS)
"Independent Third Parties" or "Independent Third Party"	a person(s) or company(ies) who/which is/are independent of the Directors, chief executive, Substantial Shareholders, Initial Management Shareholders or Significant Shareholders of the Company and any of its subsidiaries and their respective associates
"Initial Application"	the application to list the Shares on GEM submitted by the Company to the Stock Exchange on 31 December 2007
"Initial Management Shareholder(s)"	the initial management shareholder(s) (as defined in the GEM Listing Rules) of the Company as described in the section headed "Substantial Shareholders, Initial Management Shareholders and Significant Shareholders" of this prospectus
"IPA"	Investment Promotion Act
"Joint Lead Managers"	SBI E2-Capital and Kingston Securities and "Joint Lead Manager" means any one of them
"Kingston Securities"	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO
"Listing Date"	the date on which dealings in the Shares on GEM first commence
"Loan"	a loan in the sum of Baht 687,500 (equivalent to approximately HK$151,250) granted by OCG HK to Mr. Limpkittisin for his acquisition of the Pledged Shares
"Loan Agreement"	a loan agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin, pursuant to which the Loan was granted

DEFINITIONS

"Macau"	the Macau Special Administrative Region of the People's Republic of China
"MOC"	Ministry of Commerce, Thailand
"Mr. Limpkittisin"	Mr. Panthong Limpkittisin, an ex-shareholder of OCG Thailand holding 11% of the then issued share capital of OCG Thailand
"Mr. Yu"	Mr. Yu Chun Fai, the founder and the Chairman of the Company
"New Issue"	the issue of [•••] new Shares pursuant to the Placing
"OCG Asia"	Oriental City Group Asia Limited (formerly known as Vision Wave International Limited), a company incorporated under the laws of the BVI with limited liability on 22 November 2006, a wholly-owned subsidiary of OCG International and the Controlling Shareholder of the Company. OCG Asia is an investment holding company
"OCG China"	奧思知(海南)服務有限公司 (Oriental City Group (Hainan) Services Ltd.) a company established in the PRC on 24 October 2005 with limited liability and an indirect wholly-owned subsidiary of the Company
"OCG China (BVI)"	Oriental City Group China Limited, a company incorporated on 7 May 2007 under the laws of the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. OCG China (BVI) is an investment holding company
"OCG HK"	Oriental City Group Limited, a company incorporated on 14 November 2001 in Hong Kong with limited liability, a wholly-owned subsidiary of OCG Asia and is currently wholly-owned by Oriental City Group Hong Kong Limited (a company incorporated in the BVI). OCG HK is principally engaged in the provision of financial and payment services
"OCG International"	Oriental City Group International Limited (formerly known as Corporate United International Limited), a company incorporated under the laws of the BVI with limited liability on 22 November 2006 and a wholly-owned subsidiary of OCG UK. OCG Asia is wholly-owned by OCG International. OCG International is an investment holding company

DEFINITIONS

"OCG Thailand"	Oriental City Group (Thailand) Co., Ltd., a company incorporated in Thailand with limited liability on 27 September 2004 and is currently held by 3 shareholders, namely OCG Thailand (BVI), Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong as to 49.18033%, 50.81964% and 0.00003% respectively. The shareholders of OCG Thailand are business partners with no prior business dealings with the Group. Details of the shares of OCG Thailand comprising ordinary shares and preference shares and the preference shares structure arrangements relating to OCG Thailand are set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" under the section headed "Business" of this prospectus
"OCG Thailand (BVI)"	Oriental City Group Thailand Limited, a company incorporated under the laws of the BVI with limited liability on 7 May 2007 and an indirect wholly-owned subsidiary of the Company. OCG Thailand (BVI) is an investment holding company
"OCG UK"	Oriental City Group plc (formerly known as Oriental City Credit Card plc), a company incorporated in England and Wales on 7 June 2006 with limited liability and was initially wholly-owned by Phenom Resources Inc. OCG UK is principally engaged in the payment card related business in the PRC and Thailand (through the Group) as well as in Hong Kong
"Offer Size Adjustment Option"	the option to be granted by the Company to Kingston Securities under the Placing Agreement to require the Company to issue up to an additional [•••] Shares, representing 15% of the number of the Placing Shares, at the Placing Price, details of which are described in the section headed "[•••]" of this prospectus
"Other Shareholders"	collectively, Mr. Yu, Ms. Wong Lai Chun, Mr. Sung Hak Keung, Andy and Mr. Kanjanapas Shui Yiu Kelvin
"PBOC"	People's Bank of China
"Placing"	the conditional placing of the Placing Shares for cash at the Placing Price with professional, institutional and private investors in Hong Kong on and subject to the terms and conditions stated in this prospectus
"Placing Agreement"	the placing agreement dated [•••] 2009 entered into between, among others, the Company and the Joint Lead Managers and the Co-lead Manager relating to the Placing

"Placing Price"	the final price per Placing Share which will not be more than HK$[•••] per Share and is currently expected to be not less than HK$[•••] per Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee), such price to be fixed at or before the Price Determination Time
"Placing Shares"	the [•••] new Shares conditionally placed by the Joint Lead Managers under the Placing together with, where relevant, any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option
"Pledged Shares"	the 275,000 shares of OCG Thailand pledged by Mr. Limpkittisin under the pledge of shares agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin
"PLUS"	the PLUS-quoted market operated by PLUS Markets plc of the United Kingdom
"PRC" or "China"	People's Republic of China, which for the purpose of this prospectus only, does not include Hong Kong, Taiwan and Macau
"Preference Shares Structure Arrangement Indemnity"	the indemnity given by OCG Asia, Mr. Yu and Ms. Wong Lai Chun to the Group in respect of any losses, liabilities and penalties suffered or costs incurred by the Group as a result of the preference shares structure arrangement as set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus
"Price Determination Time"	the time at which the Placing Price will be fixed, which is expected to be at or before 5:00 p.m. on [•••] 2009, or such other time and/or date as may be agreed between the Company and Kingston Securities (for itself and on behalf of the other Joint Lead Manager and the Co-lead Manager)
"Reorganisation"	the corporate reorganisation of the Group in preparation for the listing of the Shares on GEM, particulars of which are set forth under "Group reorganisation" in Appendix V to this prospectus
"RMB"	Renminbi yuan, the lawful currency of the PRC

"Royal Decree"	the Royal Decree Governing Control and Supervision of Electronic Payment Service Business B.E. 2551 (2008) of Thailand
"SAFE"	State Administration of Foreign Exchange of the PRC
"SBI E2-Capital" or "Sponsor"	SBI E2-Capital (HK) Limited, a licensed corporation to carry on business in Types 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the SFO
"SCB"	Siam Commercial Bank, an Independent Third Party
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended and supplemented from time to time
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on [•••] 2009, the principal terms and conditions of which are summarised under the paragraph headed "Share Option Scheme" in Appendix V to this prospectus
"Share Purchase Agreement"	a share purchase option agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin
"Significant Shareholder"	has the meaning as ascribed to it in the GEM Listing Rules
"Sole Bookrunner"	Kingston Securities
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	the contractual arrangements in relation to the shareholding of OCG Thailand as set out in the paragraph headed "Former contractual arrangements of OCG Thailand prior to the restructuring" in the section headed "Business" of this prospectus
"Structured Contracts Indemnity"	the indemnity given by OCG Asia, Mr. Yu and Ms. Wong Lai Chun to the Group in respect of any losses, liabilities and penalties suffered or costs incurred by the Group as a result of the former contractual arrangements as set out in the paragraph headed "Former contractual arrangements of OCG Thailand prior to the restructuring" under the section headed "Business" of this prospectus
"Substantial Shareholder"	has the meaning as ascribed to it in the GEM Listing Rules as described in the section headed "Substantial Shareholders, Initial Management Shareholders and Significant Shareholders" of this prospectus

DEFINITIONS

"Track Record Period"	the period comprising the three years ended 31 March 2009
"UK"	the United Kingdom
"United States" or "US"	the United States of America
"US$"	US dollars, the lawful currency of the US
"Vendors"	Straum Investments Limited, Phenom Resources Inc., Wheddon Limited, Navigator Investments Limited, Calder Capital Inc., and Navigator Asset Management Limited
"Zeta"	Zeta Technologies Co. Ltd., a service provider for secured payment transaction system with a business focus on developing transaction system for banks and financial institutions, institutional customers

Unless the context otherwise requires, translations of RMB into HK$, Baht into HK$ and US$ into HK$ are made, for illustration purpose only, at the rate of RMB1.0 = HK$1.14, Baht 1.0 = HK$0.22 and US$1.0 = HK$7.8.

GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of terms used in this prospectus which may or may not correspond to standard industry definition.

"ATM"	automated teller machine
"CAGR"	Compound Annual Growth Rate
"CUP Card"	a payment card which can be classified into credit card and debit card. The CUP Card relating to the Group's card acceptance business is a debit card
"GDP"	Gross Domestic Product
"GPRS"	General Packet Radio Service, a packet oriented mobile data service
"GSM"	Global System for Mobile communications, a standard for mobile phones
"MDR"	merchant discount rate; MDR is the merchant discount rate at which the Group deducts from the transaction amount of each transaction from the merchants
"NAC"	network access control
"POS"	point-of-sale
"SIM Card"	Subscriber Identity Module card, a card which stores subscriber information used to identify a subscriber on mobile telephone devices such as mobile phones

RISK FACTORS

Prospective investors of the Placing Shares should consider carefully all of the information set forth in this prospectus, in particular, the following risk factors before making any investment decisions in relation to the Company. The Company's business, financial condition or results of operations could be materially and adversely affected by any of these risks.

RISKS RELATING TO THE GROUP

Ongoing financial crisis and economic downturn

The collapse of the US sub-prime mortgage market in 2008 which led to the failure or near-failure of certain financial institutions resulted in the ongoing financial crisis and the subsequent credit crunch. The occurrence of these events adversely affected the US and global economies. With deteriorating worldwide economic conditions, consumer spending such as overseas travel as well as domestic consumption is expected to diminish, which in turn is expected to adversely affect the demand for the Group's services. If the economic downturn continues, the Group's business operations and hence the results may be adversely affected.

Economic, political and social conditions in Thailand

A substantial portion of the Group's revenue is derived from Chinese tourist expenditure in Thailand. For the three years ended 31 March 2009, the revenue generated from Thailand accounted for approximately 90.7%,98.2% and 98.7% of the Group's total turnover respectively. The Group's business and profitability have heavily depended on Thailand's tourism industry and, in particular, the number of Chinese tourists visiting Thailand. Yet, there has been a decline in the number of Chinese tourist arrivals at Thailand since 2006. Starting from around mid-2008, the anti-government movement in Thailand held various demonstrations in Thailand including the occupation of various government buildings which culminated in the seizure and occupation of Bangkok's two airports in late November 2008 by anti-government demonstrators. These anti-government demonstrations and in particular, the seizure of the airports, may have a material adverse effect on the tourism industry in Thailand. Although Thailand's Constitutional Court ordered the dissolution of the then ruling party and the ban of the party's leaders (including the then serving Prime Minister) from entering into politics for five years in December 2008, the supporters of the previous Prime Minister Thaksin Shinawatra are not content with the current Prime Minster Abhisit Vejjajiva. The cancellation of a summit of Asian leaders in the Thailand resort of Pattaya, due to the storming by anti-government protesters of the place where the summit was being held, and the shooting of Mr. Sondhi Limthongkul, the leader of the Thailand's yellow-shirted protest movement, in April 2009 show that acute political antagonism persists in Thailand. Accordingly, any political, economic and social developments in Thailand, including any future political and/or economic crisis, outbreaks of hostility and political instability, may have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS

The Group's business depends on co-operation with its major partners and any loss of such business partners could materially and adversely affect the Group's business and financial position and its future prospects

The Group's major partners in the card acceptance business are SCB and CUP and its major partner in the co-branded card partnership business is BOCOM's Hainan provincial branch. For the two years ended 31 March 2008, CUP accounted for approximately 16% and 37% of the Group's revenue respectively. For the year ended 31 March 2009, the single largest customer of the Group was King Power International Co., Ltd, which accounted for approximately 37% of the Group's revenue. For the three years ended 31 March 2009, BOCOM's Hainan provincial branch accounted for approximately 9%, 2% and 1% of the Group's revenue respectively.

The agreement between OCG Thailand and CUP dated 1 April 2006 has, in 2009, been automatically extended pursuant to the provisions of the agreement for a further term of 3 years to 31 March 2012, while the agreement between OCG China and BOCOM's Hainan provincial branch dated 15 February 2008 is due to expire on 24 February 2011. Though the Group has maintained good working relationships with these business partners who play a significant role in the business operation of the Group, there is no guarantee that these partners would agree to continue renewing their agreements with the Group on a timely basis upon their expiration and that the terms of such renewal may be the same or no less favourable than those of the existing agreements. If any of these agreements cannot be renewed on a timely basis upon expiry or if there is any major alteration in the terms of these agreements, the Group's business operation and financial position may be materially and adversely affected.

BOCOM's Hainan provincial branch is the Group's present major partner in the co-branded card partnership business in the PRC. As the co-branded cards are issued by BOCOM's Hainan provincial branch, any change of intention, strategy and focus of BOCOM in respect of issuance of debit cards in the PRC or the termination of the agreement between OCG China and BOCOM's Hainan provincial branch upon expiry without timely renewal could materially and adversely affect the Group's business and financial position.

By entering into the participation agreement (as amended), SCB has agreed to accommodate OCG Thailand to use the electronic data capture machines, including all related equipment, such that any holder of a CUP Card may use the CUP Card for payment of goods and services at those stores at which such machines and equipment are installed. There is no fixed term provided under such participation agreement and if it is terminated for any reasons the Group may not be able to find a comparable substitute as a replacement in a short period of time or at all and consequently the Group's card acceptance business in Thailand could be materially and adversely affected.

In addition to being the single largest customer of the Group for the two years ended 31 March 2008, CUP has also been the single largest supplier of the Group during the Track Record Period. During the Track Record Period, the service cost paid to CUP accounted for approximately 95%, 92% and 90% of the Group's cost of service rendered respectively. If CUP ceases to be a supplier or customer of the Group, the Group may not be able to find a comparable substitute as a replacement in a short period of time or at all, and the Group's business and its financial position would be materially and adversely affected.

There is no assurance that the former contractual arrangements between OCG Thailand (BVI) and Mr. Limpkittisin would be in compliance with the existing laws and regulations of Thailand

The FBA prevents foreigners from providing most services in Thailand without regulatory approval. Section 4 of the FBA defines the following persons and entities as "foreigners":

(1) an individual, who does not have Thai nationality;

(2) a juristic entity not registered in Thailand;

(3) a juristic entity registered in Thailand and:

  (a) having half or more of its share capital held by a person under paragraph (1) or (2) above, or in which a person under paragraph (1) or (2) invests half or more of the total capital; or

  (b) being a limited or registered ordinary partnership having an individual under paragraph (1) above serve as managing partner or manager; and

(4) a juristic entity registered in Thailand having half or more of its share capital held by a person under paragraph (1), (2) or (3), or in which a person under paragraph (1), (2) or (3) invests half or more of the total capital.

During the Track Record Period, OCG Thailand was formerly owned by not more than 10 shareholders and immediately prior to a restructuring completed in April 2009, it was owned as to 49% by OCG Thailand (BVI), 39.99988% by Mrs. Nongluck Anantachote, 11% by Mr. Limpkittisin, and 0.00004% by each of Ms. Penchan Tungcharuwatanachai, Mr. Mantan Saihad and Miss Patcharin Pinkoksoong, the latter 5 shareholders all being Thai nationals before the restructuring. Mr. Limpkittisin and OCG Thailand (BVI) entered into various contracts including a loan agreement, a pledge of shares agreement, the Share Purchase Agreement and a proxy agreement whereby OCG Thailand (BVI) had the right to receive all economic benefits and exercise equity owners' rights over the 11% interest then held by Mr. Limpkittisin in OCG Thailand. More information relating to such contractual arrangements is set out in the paragraph headed "Former contractual arrangements of OCG Thailand prior to the restructuring" in the section headed "Business" of this prospectus. As the Structured Contracts gave the Group effective control over OCG Thailand during the Track Record Period, the financial results of OCG Thailand were combined into the Group's combined financial information by the merger accounting method to the extent of 60% effective interest.

On 28 April 2009, OCG Thailand (BVI) exercised its option pursuant to the Share Purchase Agreement to buy back from Mr. Limpkittisin the 11% equity interest in OCG Thailand previously held by Mr. Limpkittisin for a consideration of Baht 687,500 (equivalent to approximately HK$151,250). At the same time Mr. Limpkittisin repaid OCG Thailand (BVI) the loan extended to him by OCG Thailand (BVI) and the interest thereon in the total sums of Baht 750,799 (equivalent to approximately HK$165,176), being the principal amount of Baht 687,500 (equivalent to approximately HK$151,250) plus the accrued interest of Baht 63,299 (equivalent to approximately HK$13,926). Accordingly, the contractual arrangements previously entered into between Mr. Limpkittisin and OCG Thailand (BVI) ceased to operate on the same date. On 28 April 2009, OCG Thailand passed a shareholders resolution

to amend its articles of association to amend its share structure to include 550,000 preference shares and the preferential rights and benefits of such preference shares in such articles of association. On the same day, Mrs. Nongluck Anantachote, a shareholder of OCG Thailand, subscribed for and was allotted 550,000 preference shares for cash at par of which Baht 2.5 per share (totalling Baht 1,375,000) was paid as called.

The Company's Thai legal advisers, Somphob Tax and Law Office Ltd., have confirmed that the Structured Contracts between OCG Thailand (BVI) and Mr. Limpkittisin were in compliance with the existing laws and regulations of Thailand. However, as there are different opinions on the Structured Contracts from other Thai lawyers, there can be no assurance that the interpretations by the said legal advisers of the Company as to Thai laws of the effectiveness of the Structured Contracts were in line with that of the Thai governmental or judicial authorities. There can be no assurance that any change of law or practice will not render the Structured Contracts illegal or not being regarded as having been in compliance with the Thai laws by the relevant Thai governmental or judicial authorities. Furthermore, there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a liberal and purposive interpretation or application of the Thai laws and regard the Structured Contracts as not having been in compliance with the Thai laws. If the Structured Contracts are held to have been in violation of any Thai laws, the relevant Thai regulatory authorities may rule that OCG Thailand (BVI) and Mr. Limpkittisin have violated the FBA. Nevertheless, as the Structured Contracts have been terminated, the likelihood of them being scrutinized by the relevant authorities for any offences under the FBA should be minimal. There still exists the risk that the Structured Contracts will be scrutinized by Thai regulatory authorities as there is no guarantee that any future amendments of laws could not render such arrangement illegal.

The Thai government has previously tried to clamp down on the use of nominee shareholders to circumvent the FBA including investigation into certain local Thai companies including Shin Corporation Plc. According to the annual report 2008 issued by the Shin Corporation Plc, in 2006, the MOC did investigate the major shareholders in Kularb Kaew Co., Ltd., a Thai company holding shares in Cedar Holding Co., Ltd., which holds a majority of the shares in the Shin Corporation Plc. The issue is whether a major Thai shareholder of Kularb Kaew Co., Ltd. holds shares on behalf of foreigners. The MOC has summarized the case and referred to the public prosecutor for prosecution in the criminal court of Thailand. The Shin Corporation Plc has expressed its belief that it has not committed any offence. Although there has not been any successful court prosecution resulting from any investigation under the FBA so far, there can be no assurance that the Thai government will not launch another investigation initiative to clamp down on the use of structured contracts and nominee shareholders to circumvent the FBA in the future.

In the event that the Structured Contracts are challenged by the relevant Thai authority, the authority may also refer the case to the court for judgment and fines and penalties may be applied to OCG Thailand (BVI) and Mr. Limpkittisin for antecedent breach prior to share restructuring - although the authority has not exercised such power and ruled against any similar contractual arrangement. If OCG Thailand (BVI) or any of the respective shareholders of OCG Thailand were found to have been in violation of any Thai laws or regulations, the regulatory authority will have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000). Mr. Limpkittisin and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk. In any event, the Group's operations and financial position may be adversely affected should the relevant Thai authority challenge the Structured Contracts.

There is no assurance that the current preference shares structure arrangement relating to OCG Thailand and between OCG Thailand (BVI), Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong will be in compliance with future laws and regulations of Thailand

Following a restructuring of the shareholding structure of OCG Thailand on 28 April 2009, which completed on 30 April 2009 after the completion of registration arrangements, OCG Thailand is now owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong, the latter 2 shareholders being Thai nationals. Details of the shareholding structure of OCG Thailand comprising ordinary shares and preference shares are set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus. The current shareholding structure of OCG Thailand renders OCG Thailand (BVI) to have the right to receive economic benefit of 60% and voting rights at 57.47126%.

As advised by the Thai legal advisers to the Company, DLA Piper (Thailand) Limited, as OCG Thailand has Thai shareholders holding more than 50% of all issued shares in OCG Thailand as a result of the restructuring, irrespective of whether it is in the form of preference shares or ordinary shares, OCG Thailand is a Thai entity and shall not be considered a "foreigner" within the meaning of the FBA, as the current version of FBA does not have any provision to determine whether an entity is a foreigner based on the voting rights attached to each share. The MOC has proposed a draft amendment to the FBA to the Thai cabinet on 9 January 2007. At such time, MOC and the government understood that companies where foreigners have more than 50% voting rights were not in violation of the current FBA. Even though there were some considerations on the proposed draft bill by the cabinet and the National Legislative Assembly, such draft bill was dropped and the current government will not proceed further for the amendment to the FBA as commented by the Prime Minister, Abhisit Vejjajiva on Monday, 19 January 2009. MOC has admitted publicly in the proposed amendment in the FBA that a company where foreigners have more than 50% voting rights was not in breach of current version of the FBA. In addition, the Council of State of Thailand rules that it is also legitimate for holders of preference shares to have the right to receive dividend at a rate better than general investment while receiving less favorable voting rights. Therefore, OCG Thailand should not be required to obtain the relevant regulatory approval under the FBA in order to operate its business activity in Thailand. OCG Thailand therefore is legally eligible to operate its business activities in Thailand.

In accordance with the opinion of the Company's Thai legal advisers, DLA Piper (Thailand) Limited, the preference shares structure arrangement between OCG Thailand (BVI) and certain Thai shareholders is legal, valid, enforceable and in compliance with the applicable laws and regulations of Thailand including Thai Civil and Commercial Code and the FBA. However, there can be no assurance that any change of law or practice will not render this preference shares structure arrangement illegal or not being regarded as in compliance with the Thai laws by the relevant Thai governmental or judicial authorities. Furthermore, there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a liberal and purposive interpretation or application of the Thai laws and regard such preference shares structure arrangement as being not in compliance with Thai laws. If such preference shares structure arrangement is held to be in violation of any Thai laws, the relevant Thai regulatory authorities may rule that OCG Thailand (BVI) and the Thai shareholders have violated the FBA and that such preference shares structure arrangement be cancelled and OCG Thailand restructures its shareholding so as to comply with the laws.

In the event that the aforementioned preference shares structure arrangement is held to be in violation of the laws subsequently enacted in the future, the relevant authority may require OCG Thailand to change its shareholding structure to be in compliance with the applicable laws within a certain period, failing which the authority may refer the case to the court for judgment and fines and penalties may be applied to OCG Thailand (BVI) and violator. If OCG Thailand or any of its respective subsidiaries or shareholders is found to be in violation of any existing or future Thai laws or regulations, the regulatory authority will have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000), and an order for cessation of operation. Mrs. Nongluck Anantachote, Miss Patcharin Pinkoksoong and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk. Furthermore, the Company may not be able to treat OCG Thailand as a subsidiary unless the Company can demonstrate that it still has the "*power to govern the financial and operating policies of an entity so as to obtain benefits*" from the activities of OCG Thailand with reference to the factors set out under Hong Kong Accounting Standards ("HKAS") 27.13.

Unproven track record of the Group's operations

The Group's future turnover, profitability and cashflow depend on a number of factors, including success in implementing its business strategies, expansion plans and the development, marketing and sale of the Group's services.

The Group initially invested significantly in the marketing and operation of The Pacific-OCG Golf Card and deployment of POS card terminals during the Active Business Pursuit Period in order to build a significant card members and merchants base for on-going business growth in the long term. As a result, the Group recorded a net loss after taxation for the year ended 31 March 2007 of approximately HK$1,701,940. The other income comprised bank interest income, other interest income, exchange gain and marketing and promoting sponsorship fees received. The total other income for the year ended 31 March 2007 was HK$264,236. The other income was not generated in the normal course of business of the Group. The distribution costs for the year ended 31 March 2007 amounted to HK$53,969.

Although the Group managed to turn around from a combined loss of HK$1,701,940 during the year ended 31 March 2007 to a combined profit of HK$345,156 for the year ended 31 March 2008 and HK$355,489 (of which HK$307,977 comprises benefit of tax losses) for the year ended 31 March 2009, the Group recorded a loss attributable to the equity holders of the Company of HK$145,451 for the year ended 31 March 2009. From the Group's track record, there is no assurance that the Group will be able to generate profits, particularly, profits attributable to equity holders of the Company, which are distributable as dividends to shareholders of the Company, in the future.

The percentage of (loss) profit attributable to equity holders of the Company to the Group's revenue for the 3 years ended 31 March 2009 was (92.05)%, 4.74%, and (1.86)% respectively. Such large fluctuation of profit or loss attributable to equity holders of the Company may continue in the coming years and there is no assurance that the Group will generate stable profits in the future.

The Group's gross profit margin is volatile

During the Track Record Period, the Group experienced significant fluctuation in its gross profit margin. For the three years ended 31 March 2009, the Group's gross profit margin was 32.69%, 46.60% and 34.62% respectively. Such fluctuation can be mainly explained by the fact that the Group's business is still in a development stage and the changes in its foreign exchange rate discount income, which is in turn affected by exchange rate between Thai Baht and USD. There can be no assurance that the Group's gross profit margin will be less volatile in the future, and the fluctuation in the Group's gross profit margin may significantly impact on the Group's financial performance and business operation.

Gross profit margin analysis of card acceptance business

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Revenue			
Card acceptance transaction fee income	1,380,504	4,430,024	5,838,660
Foreign exchange rate discount income	296,992	2,717,678	1,869,622
	1,677,496	7,147,702	7,708,282
Costs of services rendered, in respect of			
Card acceptance transaction fee income	1,226,251	3,886,385	5,102,685
Foreign exchange rate discount income	–	–	–
	1,226,251	3,886,385	5,102,685
Gross profit, in respect of			
Card acceptance transaction fee income	154,253	543,639	735,975
Foreign exchange rate discount income	296,992	2,717,678	1,869,622
	451,245	3,261,317	2,605,597
Gross profit margin, in respect of			
Card acceptance transaction fee income	11%	12%	13%
Foreign exchange rate discount income	100%	100%	100%
	27%	46%	34%

The fluctuations of the overall gross profit margin of the card acceptance business during the Track Record Period were the combined results of the factors mentioned below:

Card acceptance transaction fee income

Changes in the Group's gross profit margin during the Track Record Period were mainly driven by the changes in the mix of merchants shops with different rates of transaction fee as agreed (range from 1.25% to 2.5% of the total transaction amount on each successful transaction). During the Track Record Period, the Group's overall gross profit margin fluctuated significantly, mainly due to such changes in the mix of merchant shops.

For the Group's operation of card acceptance business in Thailand, the revenue and cost will be billed/charged at 1.8% (maximum up to 2.5%) and 1.2% (plus 50% of the Net MDR for transactions passed through SCB), respectively, of transaction volume. The expected gross profit margin is therefore about 33%. Foreign exchange rate discount income has a 100% gross profit margin.

Foreign exchange rate discount income

The Group's foreign exchange rate discount income was derived in accordance with the service agreements with CUP and is reported on a net basis. More income was derived from this source during the year ended 31 March 2008 because with effect from December 2006 the settlement funds in US$ as received from CUP were calculated with reference to the exchange rate of Baht as quoted in the offshore market when the relevant transaction day was a non-business day in Thailand, which was more favorable than the exchange rate quoted in the onshore market for converting US$ funds into Baht by OCG Thailand. In June 2008, CUP introduced Bloomberg to back up the rate resource of Reuters system. The intention was to protect CUP against the risk where the Reuters system was not available for some system-related or unexpected reasons. The rates from Bloomberg platform are nearly the same as Reuters on the onshore market. Consequently, following the introduction of the Bloomberg rate system by CUP, the profit derived from foreign exchange rate discount income reduced significantly. So long as the Bloomberg rate system is adopted by CUP, the favourable exchange rate of Baht as quoted in the offshore market based on the Reuters system will not apply and the non-availability of profit to the Company from such favourable exchange rate may continue in the coming years.

Co-branded Card business

In the PRC, except for business tax of 5% on revenue, there is no other direct cost for the Group's co-branded card partnership business in the PRC as most of the cost incurred for OCG China is charged to distribution costs or administrative expenses. Therefore, the Group's co-branded card partnership business in the PRC should be generating about 95% gross profit margin.

In the year ended 31 March 2007, the co-branded card business only accounted for about 10% of total revenue. Thus, the overall gross profit margin mainly derived from Thailand which was close to 33%. In the year ended 31 March 2008, as the co-branded card business was further reduced to about 2% of total revenue and the foreign exchange income benefited from foreign exchange rate discount income, the gross profit margin increased to more than 45%. However, following the introduction of the Bloomberg rate system by CUP, the profit from foreign exchange rate discount income reduced significantly and the overall gross profit margin decreased to about 35% for the year ended 31 March 2009.

The Group is now adopting the strategy of managed expansion while generating revenue from its initial investment. For the Group's card acceptance business, the strategy of the Group is to expand the CUP Card acceptance services to geographical locations with high Chinese tourist traffic, with an initial focus on Macau and south-east Asian countries. However, such strategies of the Group may be affected by any change in the spending pattern of card members and the trend of Chinese tourists travelling abroad. For the Group's co-branded card partnership business, the strategic target of the Group is to enlarge its market share in the payment cards industry in the PRC. The Group is planning to launch different lifestyle card programs partnering with quality business partners and leading banks and to expand to other key cities in the PRC. There is no assurance that the Group will be able to generate profits, cashflows, and dividend in the future.

Reliance on key management

The Group's operations depend on the Directors and a number of senior executives who are directly involved in the Group's management. The future success of the Group depends, to a large extent, on the performance of this management team and their continued service to the Group.

In particular, the Group considers that it would be of great loss to the Group should Mr. Yu, the executive Director, choose to leave the Group, as he was the founder and the Chairman of the Company. Mr. Yu leads a team of professionals with extensive industry knowledge and experience and oversees the Group's diversified business groups. Mr. Yu is crucial to the Group's operation and success and he is responsible for the Group's strategic business development as well as its day-to-day management.

Moreover, as part of the Group's business is based in Thailand, the Group relies heavily on the management team based in Thailand, including Mr. Phuri Khamphidet and Mr. Limpkittisin. Mr. Phuri Khamphidet is the merchant business director of OCG Thailand and takes a leading role in the development of CUP Card acceptance business in Thailand. Mr. Limpkittisin, the operations controller, is in charge of the operation process for OCG's Thailand card acceptance business.

In the event that Mr. Yu or any other member of the senior management team was to leave the Group, and the Group was not able to engage a suitable replacement on a timely basis, the Group's business, its operation and financial condition may be materially adversely affected.

The Group may not have sufficient funds to meet its liabilities on a timely basis

The Group has net current liabilities of HK$3,233,654 as at 31 March 2007 and net liabilities of HK$2,338,185 as at 31 March 2007, which were mainly due to the Group's initial significant investments on (i) the deployment of POS card terminals at merchants located in Thailand to facilitate their acceptance of CUP transactions; and (ii) initial setting up and operating expenses, including (a) local office set-up costs such as expenditure on human resources and office equipment; (b) marketing costs which included marketing materials design, printing cards production and promotion costs; and (c) travel and entertainment expenses in developing business partnerships with potential business partners on the co-branded card partnership business during the year ended 31 March 2007. The Group's strategy was to build significant bases of merchants and card members for on-going business growth in the long term. As at 31 March 2008, the Group had combined net assets and net current assets of

HK$2,641,311 and HK$2,060,489 respectively. As at 31 March 2009, the Group had combined net assets and net current assets of HK$3,021,211 and HK$2,187,569 respectively. The Group currently has no banking facilities. There can be no assurance that the Group will have sufficient funds to meet its liabilities, and in such event, the Group may be required to raise additional funds. There is no assurance that such additional funding, if needed, would be available on terms favourable to the Group.

Dividend policy

The declaration, payment and amount of any future dividend of the Company will be subject to the discretion of the Directors, and will depend upon, amongst others, the Group's results of operations, cash flow and financial conditions, operating and capital requirements, the availability of sufficient distributable reserves and other relevant factors prevailing at the time. Investors should be aware that there is no assurance that future dividends will be declared. As at 31 March 2009, the Company had no reserve available for distribution.

No finite plan for OCG Thailand to distribute dividend

The Company is a holding company incorporated in the Cayman Islands and it conducts substantially all of its operations through its subsidiaries in the PRC and Thailand. OCG Thailand contributes a significant portion of the Group's turnover. During the Track Record Period, OCG Thailand incurred loss and therefore no dividend can be declared. According to applicable Thai law, if OCG Thailand declares distribution of dividends, it would be subject to the statutory requirement to make an appropriate reserve for an amount of not less than 5% of OCG Thailand's profits, until the reserve fund reaches 10% of the capital of OCG Thailand and OCG Thailand shareholders will have to pay 10% withholding taxes based on the amount of dividend to be distributed. The Directors have no definite plan to distribute dividend in OCG Thailand in the coming financial year, i.e. the financial year ending 31 March 2010. Hence, OCG Thailand is restricted in its ability to transfer the net profit to the Company in the form of dividends.

The Group will have to incur tax payments after its losses are fully absorbed

The Group is not subject to Hong Kong profits tax because the Group recorded no assessable profit that arose in or was derived from Hong Kong during the Track Record Period. The Company's subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are exempted from income tax. OCG Thailand and OCG China are subject to income tax of their respective countries.

The Group reported losses for the year ended 31 March 2007 and profit for the year ended 31 March 2008 and year ended 31 March 2009 of HK$1,701,940, HK$345,156 and HK$355,489 respectively. The unrecognised tax losses will expire as follows:

	At 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Year 2010	993,948	–	–
Year 2011	1,870,657	1,693,153	650,131
Year 2012	974,403	1,103,595	309,342
Year 2013	–	580,626	633,410
Year 2014	–	–	175,670
	3,839,008	3,377,374	1,768,553

The Group therefore incurred no tax payments for such periods. However, once all the tax losses of any of the members of the Group are fully absorbed, the Group will have to incur tax payments on the profits made.

For the year ended 31 March 2007, the companies comprising the Group either had no taxable profit or reported tax loss.

For the year ended 31 March 2008 and the year ended 31 March 2009, except for OCG Thailand which had taxable profit of approximately HK$1,576,000 and HK$521,000 respectively which was fully absorbed by unused tax losses brought forward, all other companies comprising the Group either had no taxable profit or reported tax loss.

The Group's revenue from its card acceptance business is subject to seasonal fluctuations

The Group experiences seasonal fluctuations in its revenue relating to the card acceptance business. It generally records higher sales revenue in between December and February mainly due to heavier consumer spending during Christmas and the Lunar New Year holidays.

As a result of these fluctuations, sales and operating results for any particular period will not necessarily be indicative of the Group's results for the full year or future periods. The seasonal nature of the Group's card acceptance business would also affect the cash flows available to the Group.

The preferential tax treatment to OCG China in the PRC will expire and may be subject to changes in the PRC laws or policies

Pursuant to the Income Tax Law of the PRC for Foreign Invested Enterprises and Foreign Enterprise (中華人民共和國外商投資企業和外國企業所得税法) which was abolished on 1 January 2008, OCG China was eligible to enjoy a preferential enterprise income tax rate of 15%. However, no income tax has been payable as OCG China incurred losses for taxation purposes during the three years ended 31 March 2009.

In March 2007, the National People's Congress enacted a new *Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法),* which became effective on 1 January 2008. In December 2007, the State Council promulgated the *Implementation Regulations to the Enterprise Income Tax Law (中華人民共和國企業所得稅法實施條例)* and the *Notice to Enterprise Income Tax Transition Incentive Policy (國務院關於實施企業所得稅過渡優惠政策的通知)*, which also became effective on 1 January 2008.

Under those laws and regulations, a unified income tax rate of 25% will apply to all domestic and foreign invested enterprises, unless they qualify for special tax benefits under certain limited exceptions. The applicable income tax for enterprises incorporated in special economic zones (including Hainan Province) which were subject to the enterprise income tax rate of 15% on 31 December 2007 will be increased to 18% in year 2008, 20% in year 2009, 22% in year 2010, 24% in 2011 year and 25% in year 2012 respectively.

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

Enterprises organized under the laws of jurisdictions outside China with their "de facto management bodies" located within China may be considered Chinese resident enterprises and therefore subject to Chinese enterprise income tax at the rate of 25% on their worldwide income.

The term "de facto management bodies" is defined as management bodies that exercise full and substantial control and management over the operation, personnel, financial and assets of an enterprise. If a majority of the members of the management team of the investor continue to be located in China after 1 January 2008, the investor may be considered a Chinese resident enterprise and therefore subject to Chinese enterprise income tax at the rate of 25% on our worldwide income. Moreover, the historical operating results of the Group may not be indicative of the operating results of the Group for future periods as a result of changes in applicable tax laws. Any significant increase in the income tax liability of the Group in the future could have a material adverse effect on the financial condition and operating results of the Group.

CUP sponsorship fees are not recurring income of the Group

CUP provides sponsorship fees to the Group for marketing and promoting the CUP Card acceptance business. However, CUP only selectively provides such sponsorship fees to business partners where CUP believes they would help to promote CUP Card acceptance and payment services effectively. Therefore, provision of the sponsorship fees to the Group is subject to CUP's full discretion and is not a recurrent income to the Group. There can be no assurance that CUP will continue to provide sponsorship fees to the Group, and even if so, there is no certainty on the amount of such fees to be paid and the time of payment to the Group. For the three years ended 31 March 2009, the sponsorship fees paid by CUP were HK$255,574, HK$199,205 and HK$4,621 respectively.

RISK FACTORS

The Group may not be able to implement its expansion plans on a timely basis

The Group intends to use a substantial part of the proceeds from the New Issue for, inter alia, (i) the marketing and promotional activities of the Group's co-branded card partnership business, and (ii) the expansion of the CUP Card acceptance business. Further details on the plan of use of such proceeds can be found in the section headed "Reasons for the Placing and use of proceeds" of this prospectus. However, the Group has not entered into any agreement in relation to such plans as disclosed in this prospectus. Therefore, the Group may not be able to enter into some or any of the agreements in relation to its expansion plans, or on terms favourable to the Group. In such event, the Group may not be able to secure alternative arrangements for implementation of its expansion plan. Further, the recent economic crisis and the human swine flu (H1N1) global pandemic may also have a negative impact on the Group's expansion plans. Thus the Group may not be able to achieve and implement its expansion plans as detailed in this prospectus as intended.

Lack of sufficient cash flow may affect the Group's operation

The net increase or decrease in cash and cash equivalents of the Group for the three years ended 31 March 2009 was HK$63,711 (increase), HK$1,739,550 (increase), and HK$1,115,702 (decrease) respectively. Accordingly, the Group may suffer from lack of sufficient cash flow which may in turn adversely affect the business and operation of the Group. In such circumstances, the Group may need to raise funds in the future on unfavourable terms and such funds may not be forthcoming in the time frame that the Group would desire.

Significant promotion and marketing costs and corporate administrative expenses may affect the Group's financial position

As the Group is still at its developing stage, a significant amount of expenditure is planned to be incurred for promotion, marketing and corporate administrative purposes in connection with the Group's upcoming projects, particularly the expansion of the co-branded card partnership business in the PRC and extension of the Group's business to new markets, for example Macau and Laos. Although the Directors believe that profits will be achieved in the longer term, the Group may not be able to generate sufficient revenue to cover such expenditure so as to become profitable at the early stage of those projects. Therefore, there is no assurance that the Group will be able to generate profits, cashflows, and dividends in the coming years.

Non-registration of lease of the Group in the PRC

OCG China rented its office in Hainan by entering into a co-operative agreement with BOCOM's Hainan provincial branch which is also the landlord. However, the agreement is not registered with the relevant authorities. As a result, the rights of OCG China as the tenant may not be protected against a bona fide third party who enters into a tenancy agreement with the landlord for the subject property and has the tenancy agreement registered. Moreover, according to the Regulations on the Administration of Leases of Real Property in Haikou City (海口市房屋租賃管理辦法), OCG China may be subject to a penalty for the non-registration of the lease. The current penalty is up to 200% of the rental. Although the subject property is currently leased to OCG China free of rent, in the event that BOCOM's Hainan provincial branch charges rent in the future or there will be change of penalty for non-registration of the lease, OCG China may be liable to pay such penalty and the related expenses such as relocation costs.

RISKS RELATING TO THE BUSINESS AND OPERATIONS

Reliance on major suppliers for operation

The Group's suppliers include primarily transaction service providers. The services provided include (i) provision of information technology networks for the transactions, and (ii) provision of network security. The single largest supplier for each of the three years ended 31 March 2009 was CUP, which provided network services to the Group, accounting for approximately 95%, 92% and 90% of the Group's costs of services rendered during those periods respectively. The Group's largest supplier, CUP and the second largest supplier, SCB, for each of the three years ended 31 March 2009 accounted for approximately 99%, 100% and 100% of the Group's cost of services rendered during those periods respectively. Should any of these major suppliers cease to provide the services to the Group or the services provided do not meet the required standard or the relationship between the suppliers and the Group deteriorate or even terminate and the Group is unable to find suitable alternative suppliers, the operation and the profitability of the Group may be materially adversely affected.

The failure of third-party software and equipment used in the operation of the Group's card acceptance business may cause interruptions to its business

The operation flow of the card acceptance business of the Group is detailed in the flowchart set out in the paragraph headed "Card acceptance business" under the section headed "Business" of this prospectus. For transaction authorizations, when consumers use their cards for payment through the POS card terminals, data will be transmitted from the POS card terminals to the NAC servers through local phone lines for processing by the transaction management system of OCG Thailand. The transaction management system of OCG Thailand will transmit the relevant data through international lease lines to the CUP system for authorization of the transactions. The CUP system will in turn transmit such data to the system of the CUP Card issuing banks in the PRC for authorization. For transactions settlement, settlement of payments will be made from the system of the CUP Card issuing banks in the PRC to the CUP system, and then through SCB, which is the settlement bank, to the relevant merchants.

The CUP system, the SCB settlement system, the NAC Servers and the leased lines, all of which are important to the above described operation flow of the card acceptance business of the Group, are owned and operated by third parties. The Group has no security control over any of them. The Group's ability to provide its services, especially the card acceptance services, depends on the continued performance and support of these third-party systems, including their software and equipment, and the connection with and among them. If these systems experience failures or connection defects, and the third parties maintaining these systems fail to provide adequate remedial support, it may result in the interruption or unsatisfactory performance of the Group's services.

Inadequate backup systems, network resilience and diversity may result in service disruption

The Group's operation system and the relevant backup policy are set out in the paragraph headed "Operating system" under the section headed "Business". The initial transmission of transaction data from the transaction management system of OCG Thailand to the CUP system for authorization of transaction is also crucial to the Group's operations. Any failure of the Group's backup systems or network for providing its services, especially the card acceptance services, may disrupt the Group's operation. There can be no assurance that the Group can provide adequate backup for all kinds of service interruptions that may occur.

Reliance on local supplier for NAC server and software development and maintenance in Thailand

In Thailand, the Group has mainly relied on Zeta, a local supplier in relation to the provision of the NAC server located at the office of OCG Thailand which connects all the POS card terminals, and the maintenance and development of related software. The Group is exposed to operational risk as the Group is dependent on the operation system fully to conduct the business. The Group has also identified Hypercom, another local supplier in Thailand, as an alternate/backup supplier for the provision of the NAC server and software development and maintenance services. However, the operations of the Group may still be adversely affected should there be any disruption in the services provided by both Zeta and Hypercom.

Foreign exchange rate risk

The Group is exposed to foreign exchange rate risk as the Group's revenue is principally dominated in RMB and Baht and, possibly in the future, other currencies other than Hong Kong dollars while the operating expenditure is principally denominated in RMB, Baht and Hong Kong dollars. Further, the Group will also receive United States dollars from the operation of CUP Cards clearing system in Thailand. Apart from receiving from CUP foreign exchange rate discount income on discount to the sport foreign exchange rate of the United States dollars against Baht as more particularly described in the paragraph headed "Businesses of the Group" in the section headed "Business" of this prospectus, the Group has not made any other arrangements to hedge against the exchange rate risk involved in the Group's operation. Accordingly, exchange rate fluctuations in the trading currencies of the Group's revenue and expenditure may materially and adversely affect the business, financial condition, profitability and operations of the Group. However, other than the foreign exchange rate discount income arising from CUP Card acceptance business, the Group reported exchange gain of HK$663 for the year ended 2007.

There can be no assurance that RMB and Baht will not further appreciate or will remain stable in the future. As the Group's expenditure is mainly denominated in RMB and Baht, any appreciation of RMB or Baht may result in increase of operating costs and any devaluation of RMB or Baht may materially and adversely affect the Group's net assets, earnings and dividends payable on the Shares in Hong Kong dollars.

Regulatory risks

As stated in the paragraph headed "Regulatory framework governing the industry in the PRC" of the section headed "Industry overview and regulatory overview" of this prospectus, the Company's operation is subject to relevant rules and regulations as stated in such section. As advised by the PRC legal advisers of the Company, OCG China has obtained all material governmental approvals and licences required by PRC laws in connection with its present business and operation.

As stated in the paragraph headed "Regulatory framework governing the industry in Thailand" of the section headed "Industry overview and regulatory overview" of this prospectus, the Thai legal advisers of the Company are of the opinion that the Group is in full compliance with all Thai rules and regulations applicable to the Group's business in Thailand in all material aspects. The unit service business of OCG Thailand is regarded as one restricted business under the FBA which, when engaged in by a foreign company, a foreign business license is required to be sought out from the MOC. Currently the Group does not require any licence or permission to lawfully operate its existing businesses, except for obtaining a licence from the Bank of Thailand to operate the activity involving electronic payment service via any equipment or via network. The activity involving electronics payment services via any equipment or via network is a "service" activity under the List 3 of the FBA which is a restricted activity for a "foreigner" under the definition of Section 4 of the FBA. As the definition of the "foreigner" under Section 4 of the FBA is concerned only the foreign ownership, the company that has Thai shareholders holding for more than 50% of its shares shall not be considered as a "foreigner" under the FBA. OCG Thailand is a Thai company as it has Thai shareholders holding 50.81967% of its shares (more than half of all the shares of the company). OCG Thailand shall not be subject to the restriction of the FBA in carrying on such activity. Section 14 of the Royal Decree stipulates that the licence shall be valid for 10 years from the issuing date. The Royal Decree is a new requirement which became effective on 14 January 2009. Prior to the Royal Decree, the Company only needed to inform the Bank of Thailand in order to operate its business in Thailand and no licence was required. Any violation of the Royal Decree would be subject to suspension and revocation of licences as well as administrative sanction and fine. OCG Thailand submitted the relevant application on 13 March 2009 (which is within the prescribed filing period) to obtain a licence under the Royal Decree, and was informed via email on 7 May 2009 by the officials of the Bank of Thailand that the Committee has approved issuing the licence to OCG Thailand and such licence will be handed over to OCG Thailand in an official ceremony to be fixed by the relevant authority.

Notwithstanding the foregoing, there can be no assurance that the relevant authorities will not impose new laws or regulations or make alterations to the existing laws or regulations governing the businesses or operations being carried out by the Group in the PRC and Thailand. In such circumstances, the Group may need to obtain approvals, licences or consents from the relevant authorities and may need to make necessary changes to its mode of operations in the PRC and Thailand as well as its shareholding structure in Thailand. The operations and profitability of the businesses of the Group may thus be adversely affected.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, the estimated time required for obtaining the regulatory approval of FBA, both for the Structured Contracts and preference share arrangement in the event that OCG Thailand has foreigners holding shares more than 50% of all the shares in OCG Thailand is around 60 days from the date of submission of the application to the relevant official, counting from the date on which the relevant official accepts and satisfies with all the information and documentations required. Since the Company is not regarded as a foreign company, no such foreign business licence is required to be sought. As OCG Thailand is a Thai company under the preference share arrangement, it is not appropriate for OCG Thailand to submit the application to request for a foreign business licence under the FBA and hence OCG Thailand has not submitted the application regarding the foreign business licence.

As an alternative way to ensure the legitimate right of OCG Thailand to operate business in Thailand, and to avoid any possible negative impact to the preference shares structure arrangement caused by any change to the FBA, OCG Thailand has also submitted an application to the Board of Investment (BOI) seeking promotional privileges to enable it to operate business activities, including those restricted businesses under the FBA. OCG Thailand filed the application for the Eligible Activities under the Category 7.22 (Business Process Outsourcing) as its business activity falls within the scope of the Category 7.22. The BOI has received the same on 15 May 2009. OCG Thailand has met the BOI official on 17 June 2009 for clarification of all queries of the official in relation to the BOI application. According to the guideline under BOI application procedure, the BOI would take approximately 60 business days from the date of submission of the application for its consideration whether or not to grant the promotional privileges to OCG Thailand, which may be extended at the discretion and depends on the availability of the respective government official who handle the application. BOI does not have any obligation to disclose reason for any extension. In addition, no legal implication shall occur on OCG Thailand from such extension and would not impact the BOI official's discretion. The Directors believe that OCG Thailand should be able to obtain the BOI promotional privileges. The Thai legal advisers of the Company, DLA Piper (Thailand) Limited, consider that there should be no legal impediment preventing OCG Thailand from obtaining the promotional privileges since OCG Thailand met the general requirements for the application under Category 7.22. However, the approval for granting promotion privilege is solely at the discretion of the official and the BOI. The Thai legal advisers of the Company, DLA Piper (Thailand) Limited, believe that the expected date of obtaining promotional privileges from the BOI would be in August 2009, as the Company was informed by the relevant BOI officials that the application will be proposed to the board for approval on or before 28 August 2009.

It is worth noting that a juristic person that has been promoted under the IPA must proceed in accordance with the conditions prescribed in the BOI Promotion Certificate. General conditions which are normally set forth in the BOI Promotion Certificate and applicable to OCG Thailand including the following:

- shall not use or allow any foreign skilled technician or expert to engage in other professions or perform other duties outside the scope of duties
- shall promptly conduct training and encourage Thai personnel to work in the promoted project
- confirm with the Office its implementation in compliance with the promoted project regularly and on (i) subsequent change in the shareholding ratio, (ii) its financial status and annual operating results with prescribed timeframe
- comply with other relevant laws
- seek permission from the Office for suspending operation for more than two months

- facilitate the competent officer in his inspection
- the provision of service must be in accordance with the project proposed and approved
- notify the Office in writing every time a promoted person's domicile is relocated.

The Directors confirm that the Company will ensure that OCG Thailand will comply with those conditions set out in the BOI Promotion Certificate in the future.

In the case where a promoted person violates or fails to comply with the conditions set forth in the Promotion Certificate by the BOI, Section 54 of the IPA provides that the BOI will have the power to withdraw the incentives and privileges granted to the promoted person.

Upon obtaining the BOI promotion status, as advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, a majority or 100% of all issued shares of OCG Thailand may subsequently become owned by foreigner(s). However, there is no assurance that OCG Thailand will succeed in such application. In the event it fails, foreigner(s) cannot own a majority or 100% of all issued shares of OCG Thailand. There is also no assurance that the applicable Thai laws or regulation or practices will not change such that the advantage from the BOI promotional certificate will discontinue. As advised by DLA Piper (Thailand) Limited, included among other privileges of the BOI as provided under the IPA other than the exemption of foreign ownership is the ability for the foreign promoted entity to be able to operate the restricted business activities under the FBA which is related to the promoted project. Submission of an application to BOI by OCG Thailand is an alternative to ensure its ability in operating a business in Thailand when OCG Thailand requires the shareholding structures to be foreign majority owned. According to the existing shareholding structure after the restructuring, any failure by OCG Thailand to obtain BOI promotional privileges will not have any effect on the right of OCG Thailand to operate the business in Thailand as OCG Thailand is a Thai company and is not considered a foreigner under the FBA.

Recurrence of Severe Acute Respiratory Syndrome (SARS) and outbreak of avian flu and other epidemics

The recurrence of SARS and an outbreak of the human swine flu (H1N1), avian flu and other epidemic in the PRC and other Asian countries may have a significant impact on the economy of the PRC and Asia and may significantly reduce the number of Chinese tourists travelling overseas. The Group's business and financial condition may, in turn, be materially and adversely affected.

In particular, the outbreak of the human swine flu (H1N1) virus, first emerged in Mexico in April 2009, has since spread to over 70 countries with around 30,000 people infected globally. The number of reported H1N1 cases in China and Thailand is also on the rise. The World Health Organization (WHO) has declared a global flu pandemic in June 2009, raising the pandemic warning level to the highest phase 6. However, according to WHO, the current pandemic seemed to be moderate and causing mild illness in most people. There is no assurance, though, that the virus will not turn more severe and cause more serious illness. Although WHO has not recommended closure of borders or any restrictions on the movement of people or goods, there is no assurance that WHO may not

make such recommendation and that the Thai and Chinese governments will not impose measures to restrict visitors from abroad in order to control the spread of HIN1 flu whether in response to such recommendation or on its own volition. Any such measures may result in a substantial drop of tourists and spending in Asia including China and Thailand which may, in turn, adversely affect the Group's business and financial conditions.

The Controlling Shareholder has potential conflicts of interests with the Group which may adversely affect the Group's business

OCG UK is ultimately owned as to approximately 45% by Mr. Yu who is also the Company's executive Director and chairman. This will give rise to potential conflict of interests between his duties owing to OCG UK and those to the Group. There can be no assurance that when such conflict arises, the Group's interests will prevail or be given priority by Mr. Yu.

If the trend of decline in the number of active users of the Pacific-OCG Golf Card and the related transaction volume continues, there is no assurance that the Group will be able to sustain its co-branded card business line

Although the Group initially invested significantly in the marketing and operating of The Pacific-OCG Golf Card co-branded card partnership business in cooperation with BOCOM's Hainan provincial branch and issued cards have increased to approximately 44,000 as at 31 March 2008, there has been a continuing trend of decline in the number of active card users and decrease in the revenue associated with the Group's co-branded card business segment, as shown in the table below:

	As at 31 March								
	2007			2008			2009		
	Revenue *(HK$)*	% of total revenue *(%)*	Number of Cards issued *(active users)*	Revenue *(HK$)*	% of total revenue *(%)*	Number of Cards issued *(active users)*	Revenue *(HK$)*	% of total revenue *(%)*	Number of Cards issued *(active users)*
Co-branded card annual fee income	91,780	5.0%	30,640 (active users: 4,300*)	86,087	1.2%	43,972 (active users: 2,900*)	74,307	1.0%	47,765 (active users: 2,800*)
Co-branded card transaction fee income	79,660	4.3%		46,308	0.6%		24,856	0.3%	
Sub-total or revenue for co-branded card segment	171,440	9.3%		132,395	1.8%		99,163	1.3%	

N.B. The number of active card users is defined as those having at least one transaction during the year.

* *approximate number*

As at 31 March 2009, 4,187 cards had been cancelled. As at 30 June 2009, BOCOM had issued approximately 48,000 Pacific-OCG Golf Cards, of which 4,243 cards had been cancelled.

If the trend of decline in the number of active users of the Pacific-OCG Golf Card and the related transaction volume continues, there is no assurance that the Group will be able to sustain its co-branded card business. Moreover, given the foregoing performance of its co-branded card business and the emergence of new competitors which include big local banks and the international credit card companies, e.g. VISA, there can be no assurance that the Group will be able to fulfil its stated strategic target to enlarge its market share in the payment cards industry in the PRC through launching different lifestyle card programs partnering with quality business partners and leading banks and to expand to other key cities in the PRC. Continued lack of improvement in the performance of the Group's co-branded card business line would call into question its viability as a business segment of the Company and might adversely affect the Group's relationship with BOCOM's Hainan provincial branch. It may also impact on the Group's ability to cooperate with other business partners on launching different lifestyle card products and consequently its ability to generate profits, cashflow, and dividend in the future.

Disputes between OCG HK and an ex-business partner

OCG HK and an ex-business partner of it entered into certain partnership agreements in 2002 and 2005. There are currently disputes between OCG HK and such ex-business partner in relation to such agreements. The Directors are of the view that the disputes between OCG HK, which is not part of the Group, and its ex-business partner will not have any financial impact on the Group.

Mr. Yu, the executive Director and a key management personnel of the Group, is a director of OCG HK and is also interested in OCG HK through his indirect interest in OCG Asia, the Controlling Shareholder. Mr. Yu would resign from his executive roles in the Controlling Shareholder Group upon the listing of the Shares on GEM. However, as he had been involved in the operations of OCG HK, he may need to spend time and efforts to provide any required information or assistance to OCG HK in relation to the above disputes, if necessary, and thus may be distracted from managing the Group's affairs in such circumstances.

The Group may be held liable for leakage of private and confidential information

The Group's operation systems for the card acceptance business in Thailand receive and transmit customer information when such customers use their cards to conduct a transaction at a merchant located there. The information received may include private and confidential information of the customers. In the event that there is leakage of such private and confidential information when it is being transmitted in the operation systems of the Group, there is a risk that claims may be made against the Group for negligence, breach of privacy or confidentiality, or other claims depending on the circumstances of the leakage.

RISKS RELATING TO THE INDUSTRY

Competition

There is no certainty that the Company will be able to sustain its market leadership in the CUP card acceptance business in Thailand or its local advantage in the co-branded card business in Hainan Province or that competition will not develop and prevent or delay the realisation of the Group's business plans, given that competition already exists as the Group is not the exclusive business partner of CUP, SCB and BOCOM's Hainan provincial branch.

For the card acceptance business in Thailand, while the Group maintains good working relationships with CUP and SCB, it should be noted that the Group is not the exclusive partner of these partners, and there can be no assurance that these partners would not engage other business partners who would provide similar services to those being offered by the Group and would ultimately become the competitors of the Group.

For the co-branded card partnership business, the Group targeted to serve the fast expanding high and middle income groups with high consumption power in the affluent golfing segment that has evolved under the rapid economic development in the PRC. The Group partnered with BOCOM's Hainan provincial branch to launch the "The Pacific-OCG Golf Card" in July 2005. While the Group has the advantage of having established its market presence in Hainan Province since 2005, there is always a chance for other banks or financial institutions to launch similar products in Hainan Province using golfing as the theme. Some of the Big Four Banks and joint stock commercial banks have already launched golf-related credit cards, and the international credit card company VISA provides discounted services to its credit customers at selected golf clubs in Hainan Province. New competitors are likely to emerge and enter into this market, which would compete with the Group and may adversely affect the Group's operational revenue if such new competitors are backed with resourceful partners who are willing to devote resources to marketing campaigns to promote their products. In addition, while the Group has so far maintained a good relationship with BOCOM's Hainan provincial branch, the Group is not the exclusive partner of BOCOM's Hainan provincial branch, and there can be no assurance that BOCOM's Hainan provincial branch would not engage other business partners who would provide similar services to those being offered by the Group and would ultimately become the competitors of the Group. The effects of the emergence of new competitors on the Group's operations are twofold: firstly, existing members may switch to these competitors, and secondly, potential members may choose the products offered by these competitors over those offered by the Group.

Concerns about the security and confidentiality of information on transactions of payment by cards may reduce use of debit and credit cards

There are transmissions of confidential information on transactions of payment by cards. Consumers' usage of debit and credit cards builds on their confidence on the security and confidentiality of information on such transmission. If a well-publicised breach of security for transactions of payment by cards were to occur, general usage of cards as a means of payment could decline, which would have an adverse effect on both the co-branded card partnership business and card acceptance business of the Group.

RISKS RELATING TO MARKETS IN WHICH THE GROUP OPERATES

Economic, political and social conditions in the PRC

As part of the Group's business and operations are located in the PRC and the Group targets to expand its business in the PRC, its business prospects, results of operations and financial performances are subject to the economic, political and legal developments in the PRC.

The economy of the PRC has traditionally been a planned economy. A substantial portion of the productive assets in the country is still owned by the PRC government, who also maintains and exercises significant control over the country's economic growth. While the PRC government has implemented economic reforms to introduce market forces and establish sound corporate governance in business enterprises in recent years, such measures may be adjusted, modified or applied inconsistently from industry to industry, or across different regions of the country.

The PRC government has the power to implement macroeconomic policies affecting the PRC economy. The government has implemented various measures in an effort to control the growth rate of certain industries and limit inflation.

While the PRC has been one of the world's fastest growing economies, as measured by its GDP, in recent years, there is always a possibility that the PRC may not be able to sustain such a growth rate. In addition, the recent global economic meltdown and human swine flu (H1N1) pandemic, any future calamities, including natural disasters, outbreaks of contagious diseases and political or social unrest may cause a decrease in the level of economic activity and adversely affect the economic growth in the PRC, the Asia Pacific region and elsewhere in the world.

Changes in regulations or policies could have a material adverse effect on the Group's business, financial condition and results of operation

The application of several aspects of regulations and policies on foreign ownership may be unclear, and changes in the regulations or policies, or their application or interpretation, could have a material adverse effect on the financial condition and results of operations of the Group. The application of several aspects of regulations and policies on foreign ownership in the markets in which the Group currently operates (i.e. PRC and Thailand) may be unclear. In addition, the local authorities may amend foreign ownership restrictions from time to time. In January 2007, the MOC has proposed to amend certain provisions of the existing FBA to, among other things, prevent foreigners from engaging in a restricted business, such as the business the Group is operating, through preference share structures that allow them to control the voting rights of more than half of the total votes of that company even though they have invested in less than half of the registered capital of that company. Such proposed amendment was dropped subsequently.

Any amendment of law, regulation or policy could render the Group to amend its existing arrangements and limit its voting and/or economic interests in the relevant companies. Any such removal, amendment or reduction could affect the Group's ability to implement its business strategy in the relevant countries.

If foreign ownership restrictions are determined to have been violated, monetary and criminal penalties could be imposed, and relevant licences or agreements could be cancelled. Any of the foregoing could have a material adverse effect on the Group's financial condition and the results of its operations.

WAIVERS FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

CONTINUING CONNECTED TRANSACTION

Members of the Group have entered into certain transaction, which would constitute a non-exempt continuing connected transaction of the Company under the GEM Listing Rules after the listing of the Shares on GEM. The Company has applied to the Stock Exchange for a waiver from strict compliance with the relevant announcement requirements set out in Chapter 20 of the GEM Listing Rules for such non-exempt continuing connected transaction. Further details of such waiver are set out under the paragraph headed "Continuing Connected Transaction" in the sub-section headed "Connected transactions" under the section headed "Business" of this prospectus.

RULE 12.07 OF THE GEM LISTING RULES

The Company submitted its application to list the Shares on GEM to the Stock Exchange on 31 December 2007. Under Rule 12.07 of the GEM Listing Rules, the Initial Application shall remain valid for a period of 6 months after the date of application. On 2 May 2008, the Stock Exchange published the "Consultation Conclusions on GEM" which stated that, among other things, a positive cash flow from operating activities of a new applicant and its subsidiaries of at least HK$20,000,000 in aggregate for the two financial years immediately preceding the issue of the listing document would be required under a new Rule 11.12A(1) of the GEM Listing Rules which became effective on 1 July 2008. The transitional arrangements as set out in the Conclusions state that listing applications received by the Stock Exchange on or before the date of the Conclusions would be processed according to the GEM Listing Rules in force when the application was accepted for vetting. Application and any refreshed application received after the date of the Conclusions would be subject to the GEM Listing Rules that are in force on the date of listing. As the Initial Application has lapsed on 30 June 2008, any refreshed application made by the Company would be subject to the new GEM Listing Rules including but not limited to the new Rule 11.12A(1) of the GEM Listing Rules which, as shown in the Accountants' Report set out in Appendix I to this prospectus, the Company is unable to meet. As the Company had less than two months to complete the Initial Application following the publication of the Conclusions, the Stock Exchange has granted to the Company a waiver from strict compliance with Rule 12.07 of the GEM Listing Rules in respect of the Initial Application for a period up to 19 February 2009 so as to allow the Initial Application to continue to be considered under the then existing GEM Listing Rules at the time of the Initial Application, i.e. those effective immediately before 1 July 2008.

On 13 February 2009, the Stock Exchange granted to the Company an extension of waiver from strict compliance with Rule 12.07 of the GEM Listing Rules for the period from 19 February 2009 to 27 February 2009. On 13 March 2009, the Stock Exchange granted to the Company an extension of waiver from strict compliance with Rule 12.07 of the GEM Listing Rules in respect of the Initial Application for a period up to 31 August 2009.

DIRECTORS AND PARTIES INVOLVED IN THE PLACING

DIRECTORS

Name	Residential address	Nationality
Executive Director		
Mr. Yu Chun Fai *(Chairman)*	Flat 1, 5th Floor Block A Park Place 7 Tai Tam Reservoir Road Hong Kong	Chinese
Non-executive Director		
Ms. Wong Lai Chun	Flat K, 32nd Floor Royal Peninsula 8 Hung Lai Road Block 2 Kowloon Hong Kong	Chinese
Independent non-executive Directors		
Mr. Chan Chun Wai, *CPA*	Flat C, 46/F, Block 2 Liberte Lai Chi Kok Road Kowloon Hong Kong	Chinese
Mr. Chan Wing Cheung, Joseph	5/F, Block E Evelyn Tower 38 Cloud View Road North Point Hong Kong	Chinese
Mr. Tsang Siu Tung	Flat E, 19/F Block 5, South Horizons Ap Lei Chau Hong Kong	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE PLACING

PARTIES INVOLVED IN THE PLACING

Sponsor	SBI E2-Capital (HK) Limited Unit A2, 32/F United Centre 95 Queensway Hong Kong
Joint Lead Manager	SBI E2-Capital (HK) Limited Unit A2, 32/F United Centre 95 Queensway Hong Kong
Sole Bookrunner and Joint Lead Manager	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central Hong Kong
Legal advisers to the Company	*As to Hong Kong law:–* F. Zimmern & Co. Suites 1501-1503 15th Floor Gloucester Tower The Landmark 15 Queen's Road Central Central Hong Kong *As to PRC law:–* Fangda Partners 14/F, Tower Two, Kerry Plaza 1 Zhong Xin Si Road Futian District Shenzhen 518048 PRC *As to Thai law:–* Somphob Tax and Law Office Ltd. (formerly known as Somphob and Associates Law Office Ltd.) 17th Floor, Silom Complex Building 191 Silom Road Silom Bangrak Bangkok 10500 Thailand

	DLA Piper (Thailand) Limited 47th Floor Unit 4707 Empire Tower 195 South Sathorn Road Yannawa, Sathorn Bangkok 10120 Thailand *As to Cayman Islands law:–* Conyers Dill & Pearman Cricket Square Hutchins Drive Grand Cayman KY1-1111 Cayman Islands
Legal advisers to the Sponsor and the Joint Lead Managers	*As to Hong Kong law:–* Mason Ching & Associates 1803, 18/F World-Wide House 19 Des Voeux Road Central Hong Kong *As to Thai law:–* Watson, Farley & Williams (Thailand) Ltd. Unit 902, 9th Floor GPF Witthayu Tower B 93/1 Wireless Road, Patumwan Bangkok 10330 Thailand
Auditors and reporting accountants	Mazars CPA Limited *Certified Public Accountants* 42nd Floor Central Plaza 18 Harbour Road Wan Chai Hong Kong
Property valuer	GA Appraisal Limited Unit B, 4th Floor Kiu Fu Commercial Building 300-306 Lockhart Road Wanchai Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong registered under Part XI of the Companies Ordinance	Room 505, 5th Floor Nan Fung Tower No. 173 Des Voeux Road Central & Nos. 84-86 Connaught Road Central Hong Kong
Company secretary	Mr. Sung Hak Keung, Andy, *CPA, AICPA*
Compliance officers	Mr. Yu Mr. Chan Chun Wai, *CPA*
Audit committee	Mr. Chan Chun Wai, *CPA* Mr. Tsang Siu Tung Mr. Chan Wing Cheung, Joseph
Remuneration committee	Mr. Tsang Siu Tung Mr. Chan Wing Cheung, Joseph Mr. Chan Chun Wai, *CPA*
Nomination committee	Mr. Chan Wing Cheung, Joseph Mr. Chan Chun Wai, *CPA* Mr. Tsang Siu Tung
Internal control committee	Mr. Chan Chun Wai, *CPA* Mr. Chan Wing Cheung, Joseph Mr. Tsang Siu Tung
Compliance committee	Mr. Yu Mr. Chan Chun Wai, *CPA* Mr. Chan Wing Cheung, Joseph Mr. Tsang Siu Tung
Chairperson of audit committee	Mr. Chan Chun Wai, *CPA*

CORPORATE INFORMATION

Authorised representatives (for the purpose of the GEM Listing Rules)	Mr. Yu Flat 1, 5th Floor Block A Park Place 7 Tai Tam Reservoir Road Hong Kong Mr. Sung Hak Keung, Andy Flat A, 6th Floor The Valley View 12A Tsui Man Street Happy Valley Hong Kong
Company website	www.ocg.com.hk
Compliance adviser	SBI E2-Capital (HK) Limited Unit A2 32/F United Centre 95 Queensway Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong The Siam Commercial Bank Plc. 9 Ratchadaphisek Road SCB Park Chatuchak Bangkok Thailand Bank of Communications No. 45 Guo Mao Road Haikou PRC
Hong Kong share registrar and transfer office	Union Registrars Limited Rooms 1901-02 Fook Lee Commercial Centre Town Place, 33 Lockhart Road Wanchai Hong Kong

INDUSTRY OVERVIEW AND REGULATORY OVERVIEW

INDUSTRY OVERVIEW

Certain data and statistics relied on this section have been derived and/or extracted from various governments' official sources, the KPMG and Reuters reports prepared by KPMG and Reuters, and the data retrieved from the website of CUP, the World Tourist Organization, The Tourism Authority of Thailand and The Statistics and Census Service of Macau. The data obtained from the website of CUP is available to the public and was not commissioned by the Group. The information obtained from KPMG, Reuters, the World Tourist Organization, The Tourism Authority of Thailand and The Statistics and Census Service is available to the public.

ABOUT CUP

As reported by Shanghai Daily on 14 February 2008, China UnionPay is the sole domestic interbank card operator in the PRC. Founded in March 2002, China UnionPay is an association for the PRC's banking card industry, operating under the approval of the People's Bank of China. It is also the only interbank network in the PRC excluding Hong Kong and Macau, linking the ATMs of some fourteen major banks and many more smaller banks throughout mainland China. It is also an Electronic Funds Transfer Point of Sale network. China UnionPay cards can be used in over 61 further countries and regions outside China, including the United States, Japan, Singapore, Thailand, Germany, Switzerland, France, Australia and New Zealand.

CUP releases information and news periodically to the public. CUP is both the largest customer and the largest supplier of the Group.

ABOUT KPMG

According to the information available from the website of KPMG, KPMG is a global network of professional firms providing audit, tax and advisory services, with an industry focus. In 1992, KPMG became the first international accounting firm to be granted a joint venture licence in the PRC and their operations in Hong Kong have been established for over 60 years since 1945. KPMG is an Independent Third Party to the Group. No fee was paid to KPMG for use and disclosure of its publications in this section.

ABOUT REUTERS

Reuters is a financial market data provider and news service that provides reports from around the world to newspapers and broadcasters. Its main focus is on supplying the financial markets with information and trading products. These include market data, such as share prices and currency rates, research and analytics. Reuters is an Independent Third Party to the Group. No fee was paid to Reuters for use and disclosure of its publications in this section.

ABOUT THE WORLD TOURIST ORGANIZATION

The World Tourism Organization is a specialized agency of the United Nations and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how. The World Tourism Organization plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, paying particular attention to the interests of developing countries. The World Tourism Organization is an Independent Third Party. The information obtained from the World Tourist Organisation and disclosed in this section is official public information. No fee was paid to World Tourist Organisation for use and disclosure of its publications in this section.

ABOUT TOURISM AUTHORITY OF THAILAND AND THE OFFICE OF TOURISM DEVELOPMENT

The Tourism Authority of Thailand (or TAT) was established on 18 March 1960. TAT was the first organization in Thailand to be specifically responsible for the promotion of tourism.

Following the establishment of **The Ministry of Tourism and Sports (MOTS)** in 2002, TAT's scope of work has been focussing on marketing Thailand as a destination and the promotion of its multi-billion baht Thai tourism industry, both domestic and international. This has been achieved through destination marketing campaigns, advertising and public relations, marketing and sales promotions and participation in international travel trade shows.

The Office of Tourism Development is one of the key offices within MOTS. Responsibilities of the Office of Tourism Development within the Ministry include the study, analysis, research and compilation of statistics and data on guidelines for tourism development in accordance with the national tourism development policy and plan, formulating development plans for the tour business and tourist attractions and monitoring tourism development performance. Duties and responsibilities relating to the support and development of the tourist industry as well as administrative issues that have been transferred from TAT to MOTS' Office of Tourism Development include tourist business and guide registration/certification, setting standards for tourist attractions/sites, tourism products and services, promoting awareness of and encouraging tourism business operators and guides to adopt professional standards, methodology and practices in accordance with the Tourism Business and Tour Guides Act and other Ministerial Decrees issued thereof, inspecting tourism business operators and guides, and taking legal actions in cases of misconduct or infringement of the law.

TAT and the Office of Tourism Development are Independent Third Parties. Information obtained from TAT and the Office of Tourism Development is official public information. No fee was paid to TAT or the Office of Tourism Development for use and disclosure of its information in this section.

ABOUT STATISTICS AND CENSUS SERVICE

The Statistics and Census Service (or DSEC) is a public organization in Macau. It is in charge of the orientation, co-ordination, integration, execution and control of all statistical activities in Macau. DSEC is an Independent Third Party. The source from DSEC is the official public information. No fee was paid to DSEC for use and disclosure of its information in this prospectus.

OVERVIEW OF BANK CARD INDUSTRY IN THE PRC

The PRC government in particular the People's Bank of China ("PBOC") and China Unionpay have played an important role in the development of the payment cards market. As the PRC government focused on improving the share of expenditure through payment cards, China Unionpay dominates the financial card landscape in the PRC. In accordance with government regulations, all bank cards issued by domestic banks in the PRC must bear the China Unionpay logo.

There is no doubt that the PRC is a big market for debit cards. With a predominantly cash culture and comparing with the usage of credit cards, Chinese consumers in general have preferred debit cards since they can make personal cash withdrawals easily at the many ATM tellers around the country, even in face of increased demand for credit cards. Furthermore, some domestic banks preferred to issue "zero risk" debit cards. Zero risk refers to zero credit default risk – credit cards may incur credit default risk if credit card members default on the payment for the outstanding credit balance owed to banks, but debit cards do not incur such credit default risk since relevant transaction amounts are deducted from the available balance in the debit cardholders' deposit account with the card-issuing bank.

According to a report issued by the PBOC on 17 March 2009, as at the end of 2008, 235 card issuing institutions joined the network of CUP, a sharp increase as compared to 43 in 2007. Among these there were 195 domestic and 40 overseas card issuing institutions. As at the end of 2008, the national accumulated total of issued bank cards amounted to 1,800,389,200, representing an increase of 300,438,600 cards, or 16.7%, on the previous year. The rate of increase was, however, 15.9% lower than in 2007. Of this, debit card issuance amounted to 1,658,060,200, representing an increase of 17.6%, (although the rate of increase was 12.8% lower than in 2007) and accounting for 92.1% of total bank card issuance 1.9% lower than for the corresponding period. Credit card issuance amounted to 142,329,000, representing an increase of 57.7%, (although the rate of increase was 24.3% lower than in 2007). As at the end of 2008, the proportion between debit cards and credit cards issued in PRC was approximately 11.65:1.

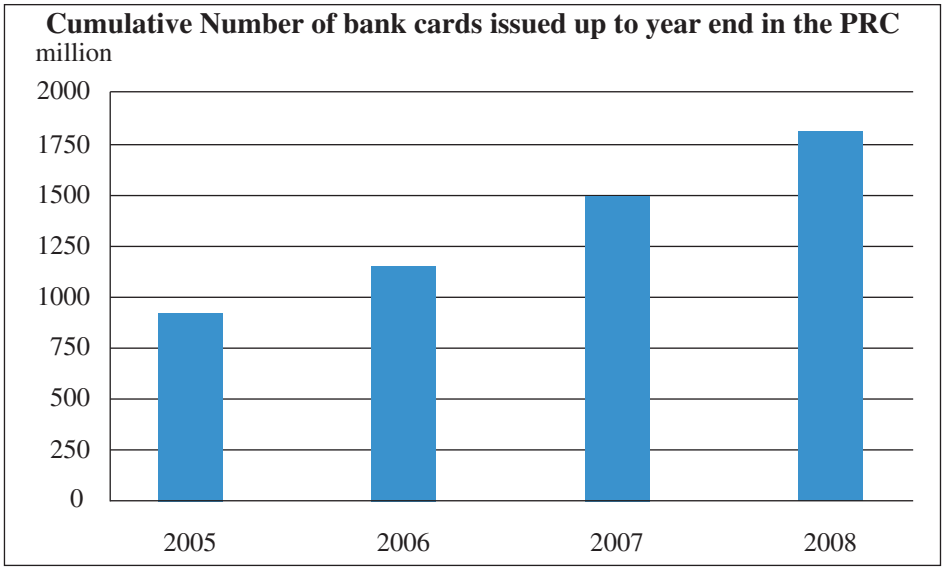
According to the PBOC, in 2008 the rate of increase in the issuance of credit cards by state-owned banks exceeded the rate of increase in such issuance by joint stock commercial banks. As at the end of 2008, the cumulative issuance by state-owned banks of credit cards amounted to 64,931,100 cards, an increase of 77.9% on the previous year. The cumulative issuance by stockholding commercial banks of credit cards amounted to 53,466,800 cards, an increase of 59.7% compared to 2007. China Postal Savings Bank commenced issuing credit cards, with a cumulative issuance of 17,200 cards.

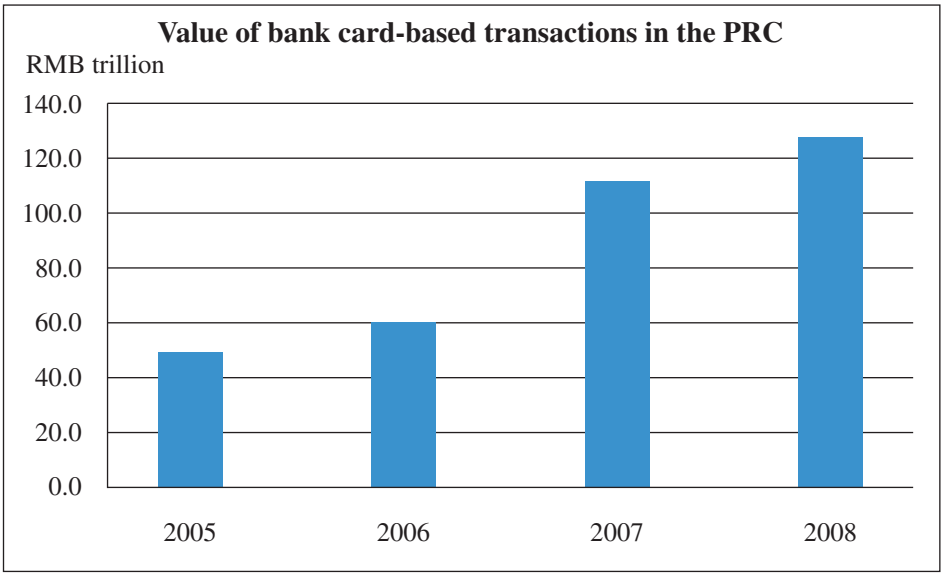
Credit card functions have been gradually increasing, thereby continuing to promote rapid development in popular consumer credit business. As at the end of 2008, the credit card total credit volume was approximately RMB980.46 billion, an increase year on year of 75.8%, and 3.2 times the level in 2006; the ending total repayable credit volume was RMB158.212 billion, an increase of 110.9% compared to 2007 and 4.8 times the level in 2006.

According to the PBOC as at the end of 2008, there were 1,181,700 merchants of the bankcard inter-bank payment system, 1,845,100 interconnected POS terminals, 167,500 ATMs, 442,500 merchants, 663,900 POS terminals, and 39,900 ATMs respectively compared with 2007. As at the end of 2008, the number of bankcards corresponding to one ATM in China was 10,700 and that corresponding to one POS was 976. As at the end of 2007, the numbers of bankcards corresponding to one ATM in USA, France and Germany were 6,220, 1,906 and 1,741 respectively, and those corresponding to one POS was 502, 80 and 210 respectively.

According to the PBOC, in 2008 the bankcard business continued to develop and played an active role in promoting expenditure by the general public. In 2008, there were 16,670,230,300 bankcard transactions with a value of RMB127,157.376 billion, representing an increase of 22.5% and 14.1% respectively compared with the same period in 2007, with 45,547,100 transactions with a value of RMB347.425 billion each day on average. In particular, there were 3,374,335,900 bankcard deposits transactions with a value of RMB32,198.525 billion, representing an increase of 12.2% and decrease of 9.1% respectively compared with the same period in 2007. There were 8,402,636,600 withdrawal transactions with a value of RMB33,502.966 billion, representing an increase of 20.6% and 11.1% respectively compared with the same period in 2007; there were 2,645,332,900 consumption transactions with a value of RMB3,947.412 billion, representing an increase of 51.9% and 31.8% respectively compared with the same period in 2007; and 2,247,924,900 money transfer transactions with a value of RMB57,508.473 billion, increasing by 18.5% and 34.0% respectively compared with the same period in 2007.

Bankcard consumption business increased rapidly and its penetration reached 24.2%, which was 2.3% more than in 2007. In 2008, consumption amount per bank card of all bank cards and consumer amount per transaction were RMB2,392 and RMB1,492 respectively. Compared with the amount in 2007, the former increased by 5.1% and the latter decreased by 13.2%. The inter-bank consumption business of bank card was 2,205,911,000 transactions and the amount was RMB3,260.646 billion, which increased by 55.9% and 43.8% respectively as compared with the same period in 2007, accounting for 83.4% and 82.6% of the total consumption businesses of bank cards respectively.





Source: China Unionpay, PBOC

As shown in the above chart, throughout recent years, the cumulative number of bank cards issued in the PRC and the value of bank card-based transactions have shown an upward trend. The respective cumulative number of cards issued up to year end rose from approximately 960 million in 2005 to approximately 1.8 billion in 2008, while the value of bank card-based transactions during the year rose from approximately RMB47 trillion in 2005 to approximately RMB127 trillion in 2008.

BACKGROUND OF CUP

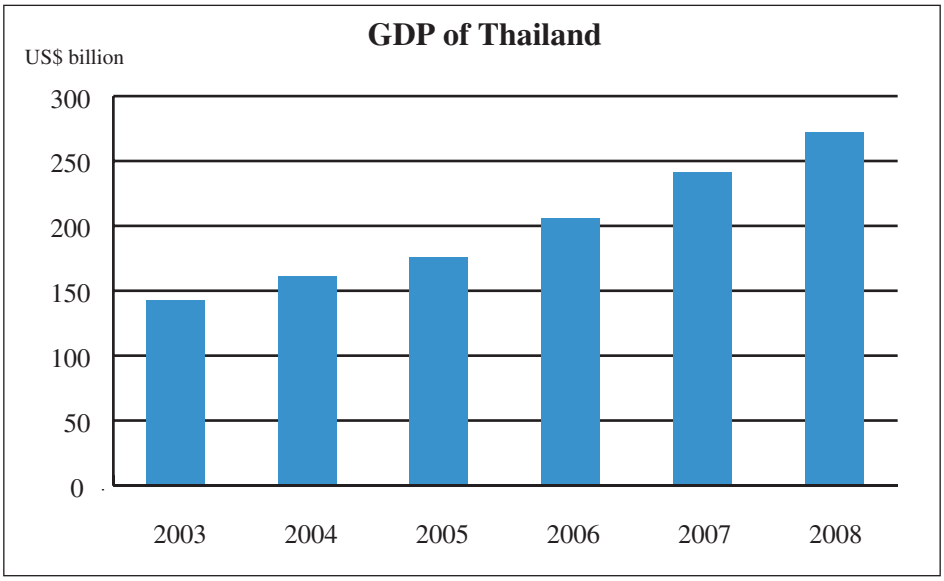
With an issued card base of approximately 1.59 billion CUP debit cards in the PRC at the end of the third quarter of 2008, CUP is well positioned to go international by establishing merchant networks at the countries that are among the most popular of Chinese tourists' destinations.

According to CUP, as at 19 May 2009, CUP had 202 members in the PRC and 44 members overseas. As at 19 May 2009, there were more than 61 countries and regions which accept CUP Cards, including Singapore, Malaysia, Thailand, Japan, South Korea, Vietnam, Philippines, Germany, Spain, France, Australia, New Zealand and United States. In 1995, only approximately 4.5 million Chinese travelled overseas. By 2005 that figure had increased to approximately 31 million. Chinese and international travel industry experts forecast that at least 50 million Chinese tourists will travel overseas annually by 2010 and 100 million by 2020.

For the card acceptance business, the Group intends to focus on the markets which the Directors believe have potential for high Chinese tourist traffic, i.e. Macau, Chiang Mai and Phuket in Thailand, and Laos.

THAILAND

The annual GDP of Thailand in 2008 was approximately US$273 billion, representing an increase of approximately 11% as compared to that of 2007.



Source: World Bank Thailand Economic Monitor (quarterly)

According to statistics from the Bank of Thailand, following positive GDP growth for the first three quarters of 2008 (Q1: 6%; Q2: 5.3%; Q3: 3.9%), GDP declined 4.2% in the last quarter of 2008. According to the World Bank in its Thailand Economic Monitor April 2009, real GDP in Thailand grew a robust 5.1% in the first three quarters of 2008 year-on-year. Starting in October 2008, however, the combined impact of the global financial crisis and domestic potential crisis took a toll on growth, leading to a 9% contraction in exports in the fourth quarter. As a result, GDP contracted by 4.3% year-on-year in the fourth quarter, reducing the 2008 growth to 2.6%. The World Bank regarded that Thailand's GDP contracted by 7.1% on the first quarter of 2009 and forecasted that, Thailand's GDP would contract by 2.7% in 2009 as Thailand remains dependent on the state of the global economy. In its 25 March 2009 issue of 'Thailand Economic Projection for 2009', the Fiscal Policy Office of the Thai Ministry of Finance forecasted that the Thai economy for 2009 would contract at -2.5% (or between the range of -3.0% to -2.0%), lower than the 2.6% growth rate in 2008.

Thailand's tourism industry

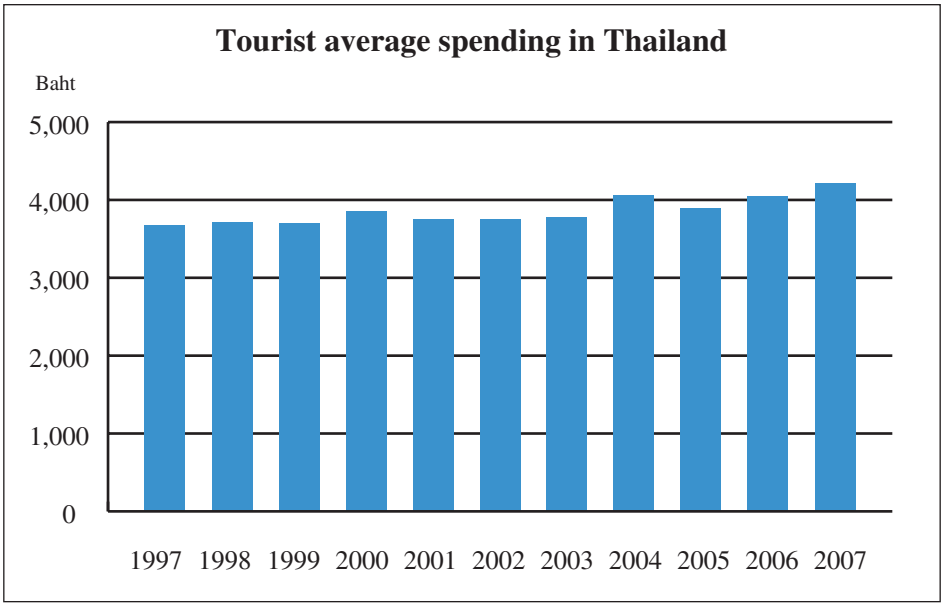
In 2007, the total number of international tourists visiting Thailand amounted to approximately 14.46 million, representing an increase of approximately 4.65% as compared to the same period in 2006. According to the Office of Tourism Development, the average length of stay of international tourists in Thailand was 9.66 days in 2007, which was an increase of 0.45 day as compared with 2006. In addition, according to the preliminary estimate of the Tourism Authority of Thailand average tourist spending was estimated at approximately Baht 4,121 (equivalent to approximately HK$907) per person per day in 2007, representing an increase of 1.8% as compared with 2006.

According to figures compiled by the Office of Tourism Development in the Ministry of Tourism and Sports, Thailand, in 2008 there were 14,536,382 international tourists who visited Thailand. At present, there are no figures available from the Office of Tourism Development for 2008 in relation to the average length of stay of international tourists in Thailand or average tourist spending.

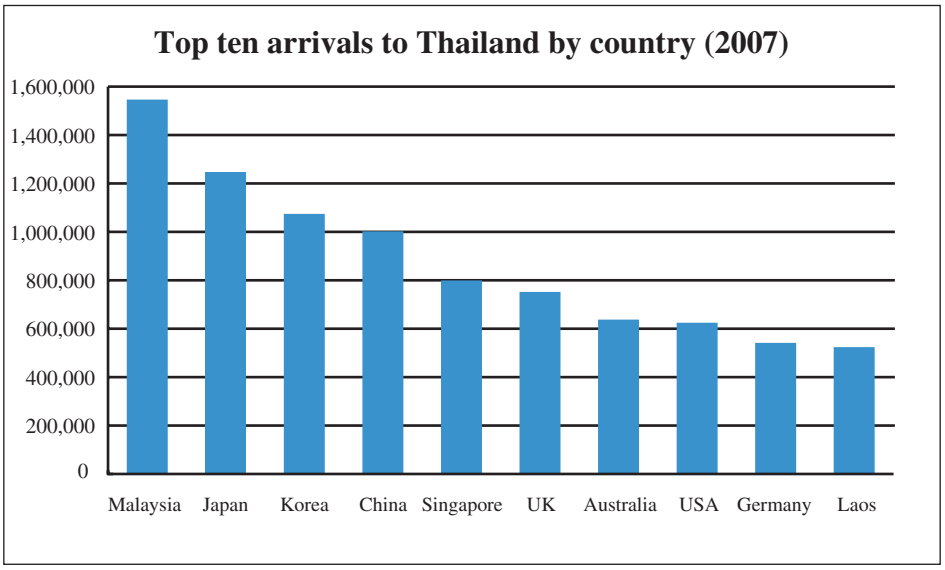
Source: Tourism Authority of Thailand, Office of Tourism Development, Thailand, 19 December 2007 and 6 May 2008

N.B. With effect from January 2007 tourism statistics became directly available from the Office of Tourism Development, Ministry of Tourism and Sports, Thailand

Note 1: Statistics for length of stay of international tourists, in Thailand for 2008 are not yet available.



Source: Tourism Authority of Thailand



Source: Tourism Authority of Thailand (from data of Immigration Bureau, Police Department of Thailand), August 2009

According to data from the website of the Tourism Authority of Thailand in August 2009, the total number of guests and the number of guests arriving from the PRC at accommodation establishments in Phuket totalled 2,873,817 and 130,019 respectively, for the period from January to September 2007. On the other hand, in 2007 the total number of guests and the total number of guests arriving from the PRC at accommodation establishments located in Chiang Mai totalled 3,074,406 and 31,090 respectively.

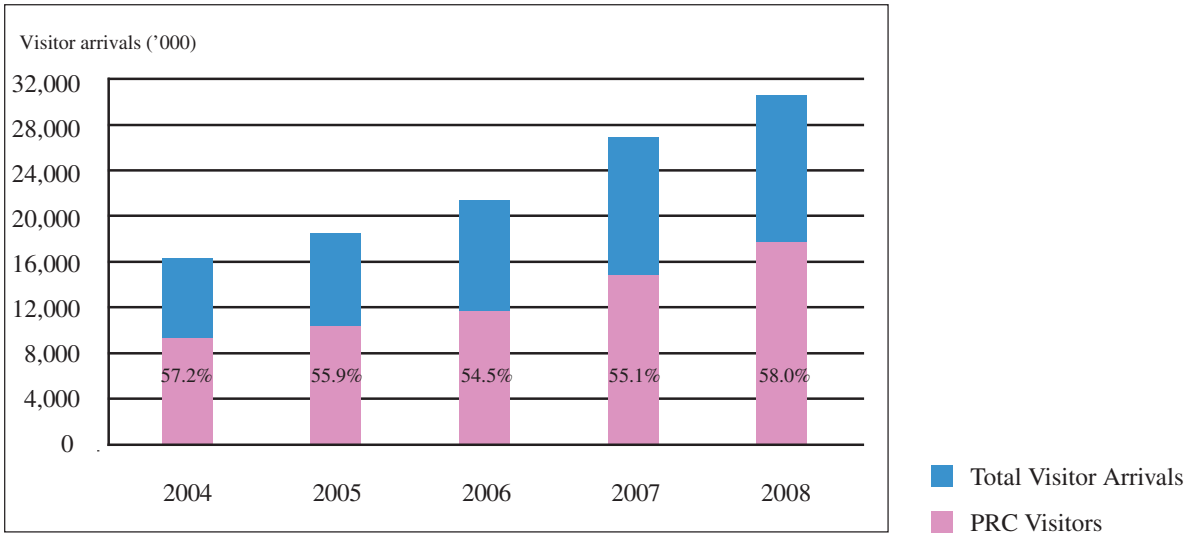
According to the World Bank's Thailand Economic Monitor April 2009, the number of overseas visitors to Thailand has shrunk more significantly than those to other Asian countries. Tourism is weak worldwide. During the first two months of 2009, world tourist arrivals dropped by 7.7% according to the World Tourism Organisation (UNWTO). This represents a deterioration from a 2.7% contraction in the final quarter of 2008. The spread of influenza A (H1N1) will further dampen tourism worldwide. By region, the number of visitors to Asia and the Pacific decreased by nearly 7% during this period, and about 4.7% for South East Asia. Therefore, unlike goods exports where the magnitude of decline in Thailand has so far been smaller than many other regional economies, the number of overseas visitors has dropped more sharply (-17.5 percent for Thailand). In addition to the global downturn, the domestic political crisis has played an important role. For Thailand, tourists from the G-3 economies, accounting for 40% of all visitors before the slump in August 2008, are not expected to pick up soon. Although the World Bank's Thailand Economic Monitor April 2009 considers that the prospect for ASEAN and China (one-third of all tourists) is arguably more positive, this remains fragile. Hotel operators now suffer from both lower occupancy rates and room prices.

MACAU

With the established entertainment and gaming platform in Macau, the Group intends to focus on expanding its card acceptance business in this key city.

According to the official statistics of the Macau SAR government, gaming services has consistently accounted for over 30% of production-based GDP in recent years. Gross tax revenues from the gaming sector accounted for approximately 76.1%, 76.4% and 63.9% of Macau's gross tax revenue for the fiscal years 2005, 2006 and 2007 respectively. Macau's reliance on the tourism industry can be seen in the following statistic: non-residents' expenditure in Macau accounted for 71.6%, 74.65 and 80.2% of Macau's total exports of goods and services for the fiscal years 2005, 2006 and 2007 respectively. Macau Statistics and Census Service ("DSEC") reported a 31% surge in annual gross gaming revenue in 2008 compared to that of 2007. However, according to the DSEC, in the first quarter of 2009, gross gaming revenue (excluding gratuities) declined by 12.7% year-on-year in nominal terms while total visitor spending (excluding gaming expenses) went down by 14.44%.

According to statistics provided by the DSEC, the total number of visitor arrivals in Macau exceeded 30 million in 2008. This compared with just under 27 million in 2007, nearly 22 million in 2006 and 18.7 million in 2005. Of these visitor numbers, more than 54% were visitors from the PRC.



Source: Statistics complied by DSEC

According to figures recently released by the DSEC, visitor arrivals in the first 5 months of 2009 fell by 10.6% as compared to the corresponding period of 2008. Visitor arrivals from the PRC dropped by 16.6%, while visitor arrivals from Hong Kong (the 2nd largest jurisdiction of visitor, after the PRC) increased slightly by 0.4% during the first 5 months of 2009 compared with 2008.

PRC

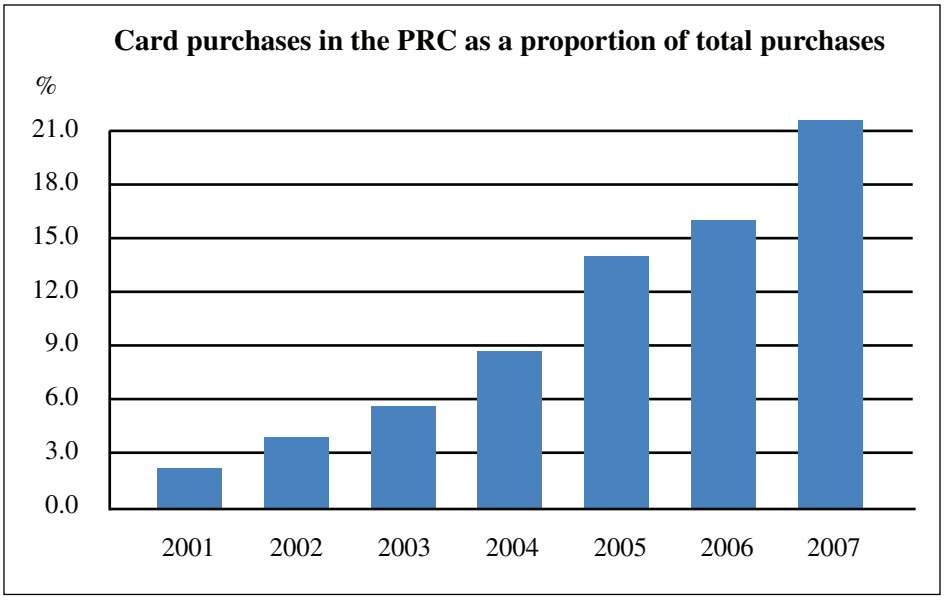
With respect to the development of lifestyle card marketing business, the Group will focus on the cities in the PRC with high income, i.e. the cities of Shanghai, Beijing, Shenzhen and Guangzhou.

2007 Top 10 cities with the highest average per capita annual income

	City	Annual Income *(RMB)*
1	Dongguan	27,025
2	Shenzhen	24,870
3	Wenzhou	24,002
4	Shanghai	23,623
5	Guangzhou	22,469
6	Ningbo	22,307
7	Taizhou	22,245
8	Beijing	21,989
9	Foshan	21,754
10	Shaoxing	21,717

Source: National Bureau of Statistics of China

The following chart demonstrates steady growth in the percentage of the card purchases in the PRC as proportion of total purchases:



Source: KPMG, Reuters – Retail Banking in the PRC, PBOC

According to the World Tourism Organisation, China has been continuing to reinforce its position as one of the world's tourism leaders, both as an outbound and an inbound market. In the World Tourism Organisation's 2007 ranking of international tourism spenders, China overtook Japan, having overtaken Italy in 2006, and is now in fifth place with an expenditure on tourism abroad of nearly US$30 billion.

Rank		International Tourism Expenditure (US$ billion)		Local currencies change (%)		Market share (%)	Population 2007	Expenditure per capita
		2006	2007*	2006/ 2005	2007*/ 2006	2007*	(million)	(US$)
	World	**742**	**856**			**100**	**6,586**	**130**
1	Germany	73.9	82.9	-1.5	2.7	9.7	82	1,008
2	United States	72.1	76.2	4.5	5.6	8.9	302	252
3	United Kingdom	63.1	72.3	4.6	5.4	8.5	61	1,189
4	France	31.2	36.7	1.2	7.8	4.3	62	595
5	China	24.3	29.8	11.8	22.5 ($)	3.5	1,321	23
6	Italy	23.1	27.3	2.2	8.4	3.2	59	464
7	Japan	26.9	26.5	3.8	-0.2	3.1	128	207
8	Canada	20.5	24.8	5.7	14.4	2.9	33	755
9	Russian Federation	18.2	22.3	4.6	22.1 ($)	2.6	142	157
10	Korea, Republic of	18.9	20.9	22.4	10.8 ($)	2.4	48	431

(Data as collected by UNWTO 2008)

Source: World Tourism Organization (UNWTO)©
($) = percentage derived from series in US$ instead of local currency

REGULATORY FRAMEWORK GOVERNING THE INDUSTRY IN THE PRC

The Company's operation is subject to relevant rules and regulations, including but not limited to PRC enterprise income tax law and foreign exchange laws as set out below. As advised by the PRC legal advisers of the Company, OCG China has obtained all material governmental approvals and licences required by PRC laws in connection with its present business and operation.

Regulations on foreign investment

On 30 November 2004, the PRC National Development and Reform Commission (the "NDRC") and the Ministry of Commerce promulgated the *Foreign Investment Guidance Catalogue* (2004 Revision) (外商投資產業指導目錄(2004年修訂)), which became effective on 1 January 2005; on 31 October 2007, the NDRC and the Ministry of Commerce, PRC jointly issued the *Foreign Investment Guidance Catalogue* (2007 Revision) (外商投資產業指導目錄(2007年修訂)) (together with the *Foreign Investment Guidance Catalogue* (2004 Revision), the "Foreign Investment Guidance Catalogue"). Under the *Foreign Investment Guidance Catalogue*, foreign investors are neither prohibited, nor restricted from, investing in the companies engaged in promotion of bank cards issued by licenced PRC banks in China.

Regulations governing bank card business

On 27 January 1999, People's Bank of China enacted *the Measures for the Administration of the Bank Card Business (銀行卡業務管理辦法, the "1999 Measures")*, which apply to all commercial banks, cardholders and merchants handling bank card business within the PRC and pursuant to which only licensed PRC banks and licensed financial institutions can issue bank cards.

Pursuant to these regulations, commercial banks must, inter alia:

- Have been opened for more than 3 years and have a sound foundation for carrying out retail business;

- Be in compliance with the PBOC's management supervisory requirements relating to asset-liability ratios and have a sound business operation;

- Have a proper internal control procedures system and a clear internal authorisation process;

- Have a safe and efficient computer processing system and have qualified management and technical personnel;

- Where they intend to issue foreign exchange cards, such banks must be qualified to engage in foreign exchange business and have appropriate operational and managerial expertise.

Commercial banks meeting these criteria may apply to the PBOC for approval to carry out the bank card business. A foreign funded financial institution that proposes to engage in the bank card business in the PRC is required to apply to the PBOC for approval.

Article 55 of the 1999 Measures stipulates that where a commercial bank develops card acceptance business with a merchant, it should enter into an acceptance agreement, which is not permitted to be exclusive. Where the commission rates are lower than those contained in the 1999 Measures, they are not protected by law. The 1999 Measures also set out the rights and obligations of card-issuing commercial banks and card-holders and provide, for example, for complaints hotlines, protection of cardholder credit information, the contents of card statements sent to cardholders, and the requirement of setting up procedures for reporting stolen cards.

According to the *Measures of China Banking Regulatory Commission for the Implementation of Administrative Licensing Matters Concerning Chinese-funded Commercial Banks (中國銀行業監督管理委員會中資商業銀行行政許可事項實施辦法)* promulgated on 28 December 2006, the issuance of a bank card should be approved by China Banking Regulatory Commission.

PRC Enterprise Income Tax

In March 2007, the National People's Congress enacted a new *Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法)*, which became effective on 1 January 2008. In December 2007, the State Council promulgated the *Implementation Regulations to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例)* and the *Notice to Enterprise Income Tax Transition Incentive Policy (國務院關於實施企業所得稅過渡優惠政策的通知)*, which also became effective on 1 January 2008.

Under those laws and regulations, a unified income tax rate of 25% will apply to all domestic and foreign invested enterprises, unless they qualify for special tax benefits under certain limited exceptions. The applicable income tax for enterprises incorporated in special economic zones (including Hainan Province) which were subject to the enterprise income tax rate of 15% on 31 December 2007 will be increased to 18% in the year 2008, 20% in the year 2009, 22% in the year 2010, 24% in the year 2011 and 25% in the year 2012, respectively.

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

Enterprises organized under the laws of jurisdictions outside China with their "de facto management bodies" located within China may be considered Chinese resident enterprises and therefore subject to Chinese enterprise income tax at the rate of 25% on their worldwide income.

The term "de facto management bodies" is defined as management bodies that exercise full and substantial control and management over the operation, personnel, financial and assets of an enterprise. If a majority of the members of the management team of the investor continue to be located in China after 1 January 2008, the investor may be considered a Chinese resident enterprise and therefore subject to Chinese enterprise income tax at the rate of 25% on its worldwide income.

Regulation of foreign currency exchange and dividend distribution

Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations (2008) (中華人民共和國外滙管理條例(2008(修訂)), as amended. Under the Regulations, the Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside China, unless the prior approval of SAFE is obtained.

The dividends paid by the subsidiary to its shareholder are deemed income of the shareholder and are taxable in China. Pursuant to the Administration Rules of the Settlement, Sale and Payment of Foreign Exchange (結滙、售滙及付滙管理規定), foreign-invested enterprises in China may purchase or remit foreign exchange, subject to a cap approved by the SAFE, for settlement of current account

transactions without the approval of the SAFE. Foreign exchange transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE and other relevant Chinese governmental authorities.

Dividend Distribution

The principal regulations governing distribution of dividends of foreign holding companies include the PRC Company Law (2005) (中華人民共和國公司法), the Foreign Investment Enterprise Law (中華人民共和國外資企業法), as amended in 2000, and the Implementation Rules of the Foreign Investment Enterprise Law (中華人民共和國外資企業法實施細則), as amended in 2001.

Under these laws and regulations, foreign investment enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, foreign investment enterprises in China are required to allocate at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds unless these accumulated reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends.

SAFE Regulations on overseas investment of PRC enterprises or individuals

Notice 75

On 21 October 2005, the SAFE issued the Notice on Issues Relating to the Administration of Foreign Exchange in Fund-raising and Reverse Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies (國家外滙管理局關於境內居民通過境外特殊目的公司融資及返程投資外滙管理有關問題的通知), or Notice 75, which became effective as of 1 November 2005. According to Notice 75, prior registration with the local SAFE branch is required for PRC enterprises or individuals to establish or to control an offshore company for the purposes of financing that offshore company with assets or equity interests in an onshore enterprise located in China. An amendment to registration or filing with the local SAFE branch by such a Chinese resident is also required for the injection of equity interests or assets of an onshore enterprise in the offshore company or overseas funds raised by such offshore companies, or any other material change involving a change in the capital of the offshore company.

Moreover, Notice 75 applies retroactively. As a result, PRC enterprises or individuals who have established or acquired control of offshore companies that have made onshore investments in China in the past are required to complete the relevant registration procedures with the local SAFE branch by 31 March 2006. Under the relevant rules, failure to comply with the registration procedures set forth in Notice 75 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the increase of its registered capital, the payment of dividends and other distributions to its offshore parent or affiliate and the capital inflow from the offshore entity, and may also subject relevant PRC enterprises or individuals to penalties under Chinese foreign exchange administration regulations.

The PRC legal advisers of the Company, Fangda Partners, have advised that, given that OCG China was directly established by OCG HK and is currently owned by OCG China (BVI), and as confirmed by the Directors, neither of which is owned or controlled by any PRC enterprises or individuals, the investments in OCG China will not be subject to Notice 75 and the registrations prescribed thereof.

New M&A Regulations

On 8 August 2006, six Chinese regulatory agencies, including the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC and SAFE, jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), or the New M&A Rule, which became effective on 8 September 2006. This New M&A Rule, among other things, includes provisions that purport to require that an offshore special purpose vehicle formed for purposes of overseas listing of equity interests in Chinese companies and controlled directly or indirectly by Chinese companies or individuals obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

The Directors have confirmed that the Company is not an offshore special purpose company formed for overseas listing purposes and controlled, directly or indirectly, by PRC domestic enterprise(s) or individual(s); and no special transaction (as stipulated under the new M&A Rules) has occurred after the date on which the M&A Rules became effective, thus the approval of the CSRC is not required for the listing of the Shares of GEM.

1997 Red Chip Guidance

The *Notice of State Council on Further Strengthening Administration of Overseas Offering Shares and Listing* (國務院關於進一步加強在境外發行股票和上市管理的通知) issued by the State Council of China in June 1997, or the 1997 Red Chip Guidance, required certain PRC companies to receive approval from relevant PRC authorities prior to transferring assets out of China for purposes of effecting a public offering and listing. Specifically, the 1997 Red Chip Guidance provides that, if a non-public offshore company with "PRC funds", or an overseas listed company controlled by PRC-funded entities, plans to issue and list shares outside China, approval from the relevant government authorities at the provincial level or higher or the approval of the CSRC may be required.

The Directors have confirmed that the Company is not a PRC owned overseas non-listed company or an overseas listed company controlled, directly or indirectly, by PRC-funded entities under the 1997 Red Chip Guidance, and therefore, as of the date hereof, the Company is not required to obtain approval, consent or permit from CSRC or any other PRC government authority for the Listing.

The Directors have confirmed, and the PRC legal advisers of the Company are of the opinion that, the Group is in full compliance with all PRC rules and regulations applicable to the Group's business in the PRC in all material aspects. The Directors have also confirmed, and the PRC legal advisers of the Company are of the opinion that, the Group has obtained all necessary approvals and licence for carrying out its business activities in China.

Compulsory Social Insurance

According to the Labor Laws of the People's Republic of China (中華人民共和國勞動法), the Decision in relation to the Establishment of Basic Medical Insurance System for Employees in Urban Area (關於建立城鎮職工基本醫療保險制度的決定), the Decision in relation to the Perfection of Basic Pension Insurance System for Enterprise Employees (關於完善企業職工基本養老保險制度的決定) promulgated by the State Council, the Interim Rules on Maternity Insurance for Employees of an Enterprise (企業職工生育保險試行辦法) promulgated by the PRC Labor Department, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), and the other relevant rules and regulations of the Hainan Province and Haikou City, OCG China shall attend to basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance according to applicable laws and regulations. Employees in the PRC have the rights to participate in the above mentioned social insurance schemes. The Company is required to make contributions to the plans calculated based on percentage of the monthly compensation of employees, subject to a certain ceiling, and are paid to the respective labor and social insurance authorities. The local government is responsible for the planning, management and supervision of the scheme, including collecting and investing the contributions, and paying out the pensions to the retired employees.

REGULATORY FRAMEWORK GOVERNING THE INDUSTRY IN THAILAND

Pursuant to Section 36 of the FBA, any Thai national or juristic person that is not a foreigner under the FBA that aids or abets or takes part in the business operation of foreigners whose business falls under the Lists attached to the FBA where such foreigners are not permitted to operate the relevant business or that takes in the business operation of the foreigner by showing that he or it is the sole owner of the business or holds shares on behalf of the foreigners in any partnership or limited company or juristic person in order for the foreigners to operate the business in avoidance of or violation to the provisions of FBA, including the foreigners allowing Thai nationals or juristic persons that are not foreigners under the FBA to do so, shall be punished with an imprisonment of not exceeding three years or a fine from Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) or both, and the Court shall order a stoppage of the aiding or abetting or order a stoppage of the joint business operation or order a stoppage of share holding or of the partnership as the case may be. Violators of the Court's order shall be subject to a punishment with a fine of Baht 10,000 (equivalent to approximately HK$2,200) to Baht 50,000 (equivalent to approximately HK$11,000) per day throughout the period of violation.

In addition, pursuant to Section 37 of the FBA, any foreigner who operates a business in violation of Section 6, Section 7, and Section 8 of the FBA shall be punishable with an imprisonment of not exceeding three years or a fine from Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) or both and the Court shall order a stoppage of the business operation or the dissolution of the business or order a cessation of the shareholding or partnership as the case may be. A violator of the Court's order shall be subject to punishment with a fine of Baht 10,000 (equivalent to approximately HK$2,200) to Baht 50,000 (equivalent to approximately HK$11,000) per day throughout the period of violation.

As advised by the Thai legal advisers, OCG Thailand was duly incorporated under the Civil and Commercial Code of Thailand on 27 September 2004 and restructured its shareholding structure by issuing preference shares on 28 April 2009, and it was in compliance with all the rules of incorporation in Thailand. OCG Thailand has complied with the filing procedure with MOC as required by Thai law. Since OCG Thailand currently has Thai shareholders holding a total of more than half of the total registered shares (50.81967%), the Company is not regarded as a foreign company under the law, namely, the FBA.

The main business of the OCG Thailand is CUP Card acceptance. With respect to the payment procedure involving CUP transferring foreign currency funds via the commercial banks in Thailand in order to settle CUP Card transactions in Thai Baht with Thai merchants, the Bank of Thailand issued its letter No. SVG (02) 156/205 dated 18 February 2005 explaining that *since the commercial bank is a holder of Foreign Exchange Licence, settlement of CUP Card transactions in Thai Baht with Thai merchants can be undertaken under Thailand's Foreign Exchange Regulations*. Based on the letter issued by the Bank of Thailand and the prevailing laws and regulations in Thailand, OCG Thailand does not require any licence or permissions to lawfully operate its existing businesses involving the commercial banks, except for obtaining a licence from the Bank of Thailand to operate the activity involving electronics payment service via any equipment or via network. The activity involving electronics payment services via any equipment or via network is a "service" activity under the List 3 of the FBA which is a restricted activity for a "foreigner" under the definition of Section 4 of the FBA. As the definition of the "foreigner" under Section 4 of the FBA is concerned only the foreign ownership, the company that has Thai shareholders holding more than 50% of its shares shall not be considered as a "foreigner" under the FBA. OCG Thailand is a Thai company as it has Thai shareholders holding 50.81967% of its shares (more than half of all the shares in the company). OCG Thailand shall not be subject to the restriction of the FBA in carrying on such activity. Currently, OCG Thailand has filed an application to obtain a licence under the Royal Decree, and was informed via email on 7 May 2009 by the officials of the Bank of Thailand that the committee had approved issuing the licence to OCG Thailand and such licence will be handed over to OCG Thailand in an official ceremony to be fixed by the relevant authority. Under Section 25 of the Royal Decree, any electronic payment service providers are allowed to continue operating the electronic payment services for 120 days from the effective date of the Royal Decree. Thus, the service providers can continue operating their businesses under this Royal Decree until 13 May 2009 (the end of transitory period). Thus, OCG Thailand filed its application with the Bank of Thailand within the filing period and has obtained approval from the Bank of Thailand within the transitory period as required by the Royal Decree.

As advised by the Thai legal advisers of the Company, the business of OCG Thailand is regarded as service business which is a foreign restricted business under the FBA. However, as OCG Thailand is regarded as a Thai majority owned company, OCG Thailand is not restricted by the FBA. The operation of OCG Thailand is not governed by any special law. The Thai legal advisers confirmed that OCG Thailand has complied with all laws governing the limited liability companies.

To ensure the legitimate right of OCG Thailand to operate its business in Thailand and to avoid any negative impact to the preference shares structure arrangement caused by any change to the FBA, OCG Thailand has also submitted an application to the BOI seeking promotional privileges to enable it to operate business activities, including those restricted businesses under the FBA. OCG Thailand filed the application for the Eligible Activities under the Category 7.22 (Business Process Outsourcing) as

its business activity falls within the scope of the Category 7.22. The BOI has received such application on 15 May 2009. Representatives of OCG Thailand met with officials of the BOI on 17 June 2009 to provide the BOI with details of the Group's business activities. The BOI would take approximately 60 business days from the date of submission of the application for its consideration whether or not to grant the promotion to OCG Thailand. The Company was informed by the relevant BOI officials that the application will be proposed to the board for approval on or before August 2009. The Thai legal advisers of the Company, DLA Piper (Thailand) Limited, consider that there should be no legal impediment preventing OCG Thailand from obtaining the promotional privileges since OCG Thailand met the general requirements for the application under Category 7.22. The general requirements under Category 7.22 include: (i) having registered capital of not less than Baht 1 million, (ii) the registered capital shall not be less than 25% of the total investment cost of the promoted project (debt to equity ratio of not more than 3:1); and (iii) providing services through the telecommunications network, such as computer network system for data processing. The Directors believe that OCG Thailand should be qualified to obtain the BOI promotional privileges as (i) OCG Thailand's business activities enhance the economic development of Thailand by promoting more Chinese tourists to come to Thailand for travel and business purposes, instead of visiting other countries, (ii) by promoting Chinese tourists to come to Thailand, the Directors believe that OCG Thailand is also helping to promote cultural exchanges between the 2 countries of Thailand and China in the long term and (iii) the Directors project that Chinese tourists are going to be one of the largest contributors to Thailand's tourism industry, in respect of which OCG Thailand is playing a significant role in providing an efficient payment platform to enable the tourists from the PRC to spend and enjoy in Thailand.

OCG Thailand provides service of CUP card acceptance and payment approval, which involves electronic transaction authorization and payment systems through telecommunications network (computer and server) which are considered as data processing services under the conditions stipulated by BOI. As the registered capital of OCG Thailand, after restructuring at Baht 30,500,000 and the debt to equity is less than 3:1. OCG Thailand has its own computer system network for providing data processing service, hence OCG Thailand processes those qualifications for obtaining the promotional privileges under Category 7.22 from the BOI.

The Directors believe that OCG Thailand should be qualified to obtain the BOI promotional privileges but it is, after all, at the sole discretion of the BOI. The Thai legal advisers to the Company consider that there should be no legal impediment preventing OCG Thailand from obtaining the promotional privileges if the applicant for the promotional privileges possesses all qualifications set forth by the BOI. However, it is worth noting that a juristic person that has been promoted under the IPA must proceed in accordance with the conditions prescribed in the BOI Promotion Certificate. In the case where a promoted person violates or fails to comply with the conditions set forth in the Promotion Certificate by the BOI, Section 54 of the IPA provides that the BOI will have the power to withdraw the incentives and privileges granted to the promoted person. Upon obtaining BOI promotion, OCG Thailand may subsequently become majority or 100% owned by foreigner(s).

The non-tax incentives provided under the IPA which may fully or partially be granted to OCG Thailand including:

(a) Permit for foreign nationals to enter Thailand for the purpose of studying investment opportunities (Section 24);

(b) Permit to bring into Thailand skilled workers and experts to work in investment promoted activities (Section 25 and 26);

(c) Permit to own land (Section 27); and

(d) Permit to take out or remit money abroad in foreign currency (Section 37).

The BOI may set the amount of shares eligible to be held by foreign investors on promoted projects when deemed appropriate. In the List of Activities Eligible for Promotion and Their Conditions, the BOI will set the amount of the shares eligible to be held by foreign investors for each specific activity. If there is no condition on the number of shares held by foreign investors specified in any promoted activity, the foreign investors shall be eligible to hold all shares in the promoted project.

Included among other privileges of the BOI as provided under the IPA other than the exemption of foreign ownership is the ability for the foreign promoted entity to be able to operate the restricted business activities under the FBA which is related to the promoted project. Submission of the application to BOI by OCG Thailand is an alternative to ensure its ability in operating a business in Thailand when OCG Thailand requires its shareholding structure to be foreign majority owned. According to the existing shareholding structure after the restructuring, any failure by OCG Thailand to obtain BOI promotional privileges will not have any adverse effect on the right of OCG Thailand to operate the business in Thailand as OCG Thailand is a Thai company and is not considered a foreigner under the FBA.

OCG Thailand is subject to corporate income tax of 30% on its net profit. For net profit computation purposes, deductible expenses must be documented and incurred in relation to income with conditions under the Revenue Code. Loss carried forward is allowed up to 5 years. Capital nature expenses are subject to depreciation ranged from 5-10 years.

Dividends paid to foreign shareholders are subject to 10% withholding tax. Capital gains from disposal of shares by a foreign shareholder is subject to 15% withholding tax.

The Directors have confirmed, and the Thai legal advisers of the Company are of the opinion that, the Group is in full compliance with all Thai rules and regulations applicable to the Group's Business in Thailand in all material aspects. The Directors have also confirmed, and the Thai legal advisers of the Company are of the opinion that, the Group has obtained all necessary approvals and licence for carrying out its business activities in Thailand. The Thai legal advisers of the Company are of the opinion that OCG Thailand's operations are in compliance with the currently applicable labour and safety regulations in Thailand in all respects.

BUSINESS

HISTORY AND DEVELOPMENT

The Group's history dated back to 2001 when Mr. Yu, the founder and Chairman of the Company, noted that there was an immense growth potential in the payment card industry in the Asia Pacific region. Mr. Yu has over 8 years of experience in the card payment industry and a total of 12 years of experience in the financial services and card industry. He was a vice president at Morgan Stanley Asia Limited, a vice president and marketing director of AIG Asset Management Co. (Asia) Ltd. and the head of fund marketing of Dresdner RCM Global Investors Asia Ltd. Mr. Yu was also the manager of Visa International Consumer Products Group and the manager of American Express International, Inc. in Hong Kong. In November 2001, by leveraging on Mr. Yu's extensive professional experience and established business contacts in the financial industry, Mr. Yu incorporated OCG HK which was principally engaged in the payment card related business. The objective of OCG HK was to provide exclusive and unique platform-wide privileges to customers based on their respective lifestyle interests and delivers added value to business partners (banks and quality merchants) that surpasses traditional cards marketing and usage boundaries. OCG HK's primary target customers were middle class of higher spending with keen lifestyle spending behaviour and lower credit risk. OCG HK is a wholly-owned subsidiary of the Controlling Shareholder, OCG Asia and OCG HK does not form part of the Group.

In February 2002, OCG HK launched its first lifestyle payment card in Hong Kong, namely "Golf VISA", and accumulated over 20,000 members within one year. The bank partner of OCG HK was an Asia-based international bank. OCG HK's principal business activities were marketing 3 lifestyle cards in Hong Kong with the aforesaid bank, namely "Golf VISA" which was targeted at lifestyle golf members, "Lady's VISA" (already ceased marketing) and "Man VISA" (already ceased marketing) which was targeted at lifestyle health and beauty conscious members, and "Family VISA" which was targeted at lifestyle family customers with young children below 12 years old. OCG HK is now focusing on marketing golf membership cards (with approximately 1,100 cards issued as at the Latest Practicable Date) targeted at lifestyle golf customers in Hong Kong only.

The Hong Kong market in terms of the payment card business has been mature and very competitive in comparison to other developing markets such as the PRC and other parts of the South East Asia. The product life cycle for payment cards in Hong Kong has achieved the mature stage of product life cycle. In terms of marketing, there are 4 different stages of product life cycle which are 1.) growth stage, 2.) developing stage, 3.) mature stage and 4.) decline stage. As most Hong Kong customers on average have more than 1 payment card, so the competition to market more cards to Hong Kong customers is keen. On the other hand, as the credit payment cards have just begun to develop in the PRC for Chinese consumers, the market potential is significant and at its growth stage. As the product life cycle and market potential are totally different between Hong Kong and other developing markets, it was decided not to include OCG HK in the Group for the purpose of listing on GEM and, instead, the relatively high growth business would be included in the Group to achieve better overall shareholder value. Consequently, the revenue generated from the business of OCG HK will not contribute to the Group's results.

In early 2004, OCG HK approached BOCOM's Hainan provincial branch, an Independent Third Party, to develop the payment card business in the PRC. Separately, CUP, an Independent Third Party approached OCG HK to evaluate expanding CUP Card acceptance services from the PRC to international markets.

In February 2004, OCG HK entered into a memorandum of understanding with BOCOM's Hainan provincial branch to assist BOCOM to develop the payment card issuance business in the PRC.

In April 2004, OCG HK entered into a memorandum of understanding with CUP to assist CUP to develop and promote the CUP Card acceptance business in Asian countries.

OCG Thailand was established on 27 September 2004 with limited liability in Thailand with a registered capital of Baht 25,000,000 (equivalent to approximately HK$5,500,000). Upon its establishment, OCG Thailand was owned as to 49% by OCG HK and 50.99972% by VGI Group Co., Ltd. and 0.00028% by 7 Thai individuals including Mrs. Nongluck Anantachote but excluding Mr. Limpkittisin. VGI Group Co., Ltd. is an integrated advertising and marketing services company established in 2004 which focuses on providing such services in Thailand. VGI Group Co., Ltd. was merely a business partner of the Group. Other than as a joint venture partner of OCG Thailand, VGI Group Co., Ltd. has no other past or present relationship with any member of the Group, its shareholders, directors, senior management or any of their respective associates. Prior to the establishment of OCG Thailand, VGI Group Co., Ltd. had no prior relationship or business dealings with the Group. On 20 June 2005, Mr. Limpkittisin became a 11% shareholder (or 275,000 shares) of OCG Thailand as a result of the transfer of shares of OCG Thailand from VGI Group Co., Ltd. to Mr. Limpkittisin at a consideration of Baht 687,500 (equivalent to approximately HK$151,250 being the fund originally invested by VGI Group Co., Ltd. in such shares) which had been advanced by OCG HK to Mr. Limpkittisin pursuant to a loan agreement dated 22 June 2005. The transfer was made in contemplation of the Structured Contracts arrangement. Mr. Limpkittisin joined OCG Thailand in December 2004 as the operations controller who is in charge of the operation process for card acceptance business of OCG Thailand and is a member of the senior management of OCG Thailand during the Track Record Period.

On 1 April 2006, being the commencement date of the Track Record Period, OCG Thailand had 10 shareholders and was owned as to 49% by OCG HK, 39.99972% by VGI Group Co., Ltd., 11% by Mr. Limpkittisin, 0.00004% by each of 7 Thai individuals including Mrs. Nongluck Anantachote. On 8 September 2006, 3 Thai individuals transferred their three shares (or 0.00012%) in OCG Thailand at nominal consideration of Baht 2.5 per share to Mrs. Nongluck Anantachote so that her shareholding in OCG Thailand changed to 0.00016%. Each of the other 3 Thai individuals also transferred his/her one share (or 0.00004%) in OCG Thailand at nominal consideration of Baht 2.5 to Ms. Penchan Tungcharuwatanchai, Mr. Mantan Saihad and Miss Apinya Supsakuncharoen respectively.

On 16 October 2007, OCG Thailand (BVI) acquired 1,225,000 shares (or 49%) in OCG Thailand from OCG HK at a consideration of HK$10,000 as part of the reorganization of the Group. OCG Thailand was then owned as to 49% by OCG Thailand (BVI), 39.99972% by VGI Group Co., Ltd., 11% by Mr. Limpkittisin, 0.00016% by Mrs. Nongluck Anantachote, 0.00004% by Ms. Penchan Tungcharuwatanchai, 0.00004% by Mr. Mantan Saihad and 0.00004% by Miss Apinya Supsakuncharoen. On 14 February 2008, Miss Apinya Supsakuncharoen transferred her one share (or 0.00004%) in OCG Thailand at a nominal consideration of Baht 2.5 to Miss Patcharin Pinkoksoong.

On 3 October 2008, VGI Group Co., Ltd. transferred all its 999,993 shares (or 39.99972%) in OCG Thailand to Mrs. Nongluck Anantachote at a consideration of Baht 99,999.30, which was determined with reference to the accumulated loss of OCG Thailand and no dividend was received by the shareholders of OCG Thailand. Immediately prior to the restructuring completed in April 2009, OCG Thailand was owned by 6 shareholders, namely OCG Thailand (BVI), Mrs. Nongluck Anantachote, Mr. Limpkittisin, Ms. Penchan Tungcharuwatanachai, Mr. Mantan Saihad and Miss Patcharin Pinkoksoong as to 49%, 39.99988%, 11%, 0.00004%, 0.00004% and 0.00004% respectively.

The Group and VGI Group Co. Ltd. had entered into a joint venture agreement in respect of OCG Thailand on 18 August 2004, the principal terms of which were related to the subscription arrangement and profit allocation between the shareholders of OCG Thailand. As confirmed by the legal advisers to the Company as to Thai law, such joint venture agreement has automatically lapsed and ceased to have any effect after the abovementioned transfer of the 39.99972% shareholding interest in OCG Thailand by VGI Group Co., Ltd. to Mrs. Nongluck Anantachote on 3 October 2008. As such, the profit and loss of OCG Thailand was shared as to 60% by the Group and 39.99972% by VGI Group Co., Ltd. during the period from 1 April 2006 to 2 October 2008 under the joint venture agreement and as to 60% by the Group and 39.99988% by Mrs. Nongluck Anantachote during the period from 3 October 2008 to 27 April 2009, notwithstanding that no joint venture agreement had been signed between the Group and Mrs. Nongluck Anantachote and that the rights and obligations under such joint venture agreement had not been assigned to Mrs. Nongluck Anantachote. The profit and loss of OCG Thailand would, under the existing shareholding structure after the implementation of the preference shares structure arrangements since 28 April 2009, after deducting 9% cumulative dividend of the paid up value of the preference shares issued be shared as to 60%, 39.99996% and 0.00004% by the Group, Mrs. Nongluck Anantachote and Miss Patchavin Pinkoksoong, respectively according to the proportion of ordinary shares held by them in OCG Thailand. Miss Patchavin Pinkoksoong is entitled to share the profit and loss of OCG Thailand as to 0.00004%.

Note: The preference shares have the rights to receive cumulative dividend at the rate of 9% of the paid up value of shares issued, prior to the ordinary shares. Ordinary shares shall receive dividend equally on each share on the amount after distribution to the preference shares.

Mr. Limpkittisin has been an employee of OCG Thailand since December 2004 and he had no prior relationship or business dealings with the Group before his employment. Mrs. Nongluck Anantachote has been an employee of VGI Global Media Co., Ltd. since 1 January 2001. To the best knowledge of the Directors, other than the shareholding interest and the board representation in OCG Thailand, Mrs. Nongluck Anantachote has had no past or present relationship with the Group, its shareholders, directors, senior management or any of their respective associates. As Mrs. Nongluck Anantachote is a substantial shareholder of OCG Thailand, she is a connected person of the Company.

Following completion of a restructuring of the shareholding structure of OCG Thailand that was registered by the relevant authority in Thailand on 30 April 2009, OCG Thailand is now owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong, the latter 2 shareholders all being Thai nationals. Details of the shares of OCG Thailand comprising ordinary shares and preference shares are set out in the paragraph headed "Preference Shares Structure Arrangement of OCG Thailand" in the section headed "Business" of this prospectus.

On 28 April 2009, OCG Thailand (BVI) exercised its option pursuant to the share purchase option agreement to buy back from Mr. Limpkittisin, a former shareholder of OCG Thailand, his prior 11% holding of ordinary shares in OCG Thailand for a consideration of Baht 687,500 (equivalent to approximately HK$151,250). At the same time Mr. Limpkittisin repaid OCG Thailand (BVI) the loan extended to him by OCG Thailand (BVI) and the interest in the total sums of Baht 750,799 (equivalent to approximately HK$165,176). Accordingly, the contractual arrangements previously entered into between Mr. Limpkittisin and OCG Thailand (BVI) was cancelled. On 28 April 2009, OCG Thailand passed a shareholders resolution to amend its articles of association to amend its share structure to include 550,000 preference shares and the preferential rights and benefits of such preference shares in such articles of association. On the same day, Mrs. Nongluck Anantachote, a shareholder of OCG Thailand subscribed for and, was allotted 550,000 preference shares for cash at par of which Baht 2.5 per share (with a total amount of Baht 1,375,000) was paid as called. Mrs. Nongluck Anantachote used her own investment funds to acquire the shares. On the same day, each of Ms. Penchan Tungcharuwatanachai and Mr. Mantan Saihad transferred her/his one share (or 0.00004%) in OCG Thailand at a nominal consideration of Baht 2.5 (being the fund originally invested by each of them in such share) to Mrs. Nongluck Anantachote. As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, based on the normal practice of relevant authorities, including MOC, in relation to the incorporation of a company and acquisition of shares in a company, if shares (with less preferential rights) are acquired with shareholders' own fund, such acquisition shall not be construed in breach of the FBA (as interpreted by the Council of State of Thailand). Based on the principle of the general rule of law, the normal practice of relevant authorities and the interpretation of the Council of State of Thailand, shareholding structure of OCG Thailand after the restructuring is legal, valid, enforceable and in compliance with the definition of the FBA, given that Mrs. Nongluck Anantachote has acted in good faith and it can be proved that she has used her own funds to invest in shares in OCG Thailand and the return on investment in shares of OCG Thailand is greater than other general investments as provided under the articles of association of OCG Thailand.

On 28 November 2004, OCG Thailand entered into a bankcard acquiring agreement with CUP to assist CUP to promote its international card acceptance platform. Pursuant to the agreement, each party may terminate the agreement in accordance with the relevant provisions of the agreement.

On 23 December 2004, OCG Thailand entered into a non-exclusive bankcard acquiring agreement with CUP and Bangkok Bank Public Company Limited for CUP Card transactions. Each party may terminate this agreement by giving three month's prior written notice to the other parties. As at the Latest Practicable Date, the agreement is still valid but Bangkok Bank Public Company Limited is not currently involved in the Group's card acceptance business. Bangkok Bank Public Company Limited, the largest bank in Thailand in terms of assets, was involved in the Group's card acceptance business as settlement bank from December 2004 to August 2006. When OCG Thailand started the card acceptance business in Thailand, OCG Thailand wanted to team up with an established local bank in Thailand to secure a reputable business partnership and team work with CUP and with the local merchants, so as to establish a quality presence of OCG Thailand as a new entrant in the local Thai market. Bangkok Bank Public Company Limited ceased to be involved in the Group's card acceptance business in August 2006 when OCG Thailand began to work with SCB. OCG Thailand decided to cooperate with SCB for two key reasons: (i) SCB is the second largest retail bank in Thailand based on its retail branches network, and its local reputation is in par with Bangkok Bank Public Company Limited; and (ii) SCB enables OCG Thailand to expand the merchants network that can accept CUP Cards efficiently from the key tourists cities of Bangkok and Pattaya, to other major tourists cities including Phuket and Chiang Mei. The bankcard acquiring agreement with Bangkok Bank Public Company Limited has not been terminated because it is positioned as a back-up settlement service provider to SCB. The Directors confirm that (i) no fees have been paid to Bangkok Bank Public Company Limited after it ceased to be involved in the Group's card acceptance business and (ii) the Group has no outstanding obligation to Bangkok Bank Public Company Limited under the bankcard acquiring agreement.

On 24 February 2005, OCG HK entered into an agreement with BOCOM's Hainan provincial branch, a branch of one of the PRC's largest and most established banks, to develop the business of the payment card business in the PRC, and the first card being issued by BOCOM'S Hainan provincial branch was The Pacific-OCG Golf Card. At that time, the Group introduced the lifestyle golf card in the PRC. The payment card business with BOCOM's Hainan provincial branch was then carried on by OCG China after its establishment on 24 October 2005. Pursuant to a supplemental agreement entered into among OCG HK, OCG China and BOCOM's Hainan provincial branch and dated 26 November 2007, OCG HK assigned all of the rights, interests, responsibilities and obligations under the agreement to OCG China.

On 22 June 2005, OCG HK entered into various agreements with Mr. Limpkittisin pursuant to which OCG HK has advanced a loan of Baht 687,500 (equivalent to approximately HK$151,250) to Mr. Limpkittisin and Mr. Limpkittisin has (i) pledged 275,000 shares of OCG Thailand, representing 11% of its then share capital, in favour of OCG HK as security for the loan of Baht 687,500 (equivalent to approximately HK$151,250) and (ii) granted a call option to OCG HK to purchase the shares of OCG Thailand at the option price of Baht 687,500 (equivalent to approximately HK$151,250).

OCG China, one of the Group's subsidiaries, was established on 24 October 2005 with limited liability in the PRC with a registered capital of HK$100,000. Upon its establishment, OCG China

was wholly owned by OCG HK. Pursuant to an equity interest transfer agreement entered into between OCG HK and OCG China (BVI) dated 20 July 2007 and upon the necessary approval having been obtained from the People's Government of Haikou City, OCG HK transferred its entire equity interest in OCG China to OCG China (BVI). The registered capital of OCG China was increased to HK$150,000 in 2008.

On 1 April 2006, OCG Thailand entered into a new bankcard acquiring agreement with CUP to promote its international card acceptance platform for a period 3 years plus automatic extension of 3 years following the expiry of such initial term, unless otherwise terminated in accordance with the relevant provisions of the agreement. This new agreement superseded the previous agreement dated 28 November 2004.

In preparation for listing on PLUS, OCG UK was incorporated with limited liability in England and Wales on 7 June 2006 and was then wholly-owned by Phenom Resources Inc. On 22 November 2006, each of OCG International (formerly known as Corporate United International Limited) and OCG Asia (formerly known as Vision Wave International Limited) was incorporated in the BVI with limited liability, one share of which, representing its then entire issued share capital, was issued and allotted to Straum Investments Limited on 19 December 2006. OCG International and OCG Asia were incorporated as the immediate holding companies of the group of OCG HK for the purpose of the PLUS listing of OCG UK.

Before the reorganisation of the group of OCG HK in preparation for listing on PLUS, OCG HK was held by the Vendors, namely Straum Investments Limited, Phenom Resources Inc., Wheddon Limited, Navigator Investments Limited, Calder Capital Inc. and Navigator Asset Management Limited in the proportions of approximately 65%, 18.04%, 5.25%, 5.25%, 3.50% and 2.96% respectively. To the best knowledge of the Directors and based on the information available to OCG UK at the time of the listing of OCG UK on PLUS, the background information of each of the Vendors is as follows:–

Name of vendor	Place of incorporation	Name of its shareholder/ beneficial owner	Name of its director(s)	Principal activities
Straum Investments Limited	BVI	Mr. Yu	Mr. Yu	Investment holding
Phenom Resources Inc.	BVI	Global Navigator Holdings Limited	Mr. Alistair Cann and Mr. Gary Williams	Investment holding
Navigator Asset Management Limited	Island of Nevis	Mr. Nicholas Camilleri	Mr. Alistair Cann, Mr. Gary Williams and Mr. David Ernest Bryant as alternate director	Investing in small-cap public companies in need of capital
Navigator Investments Limited	Island of Nevis	Mr. Nicholas Camilleri	Mr. Alistair Cann, Mr. Gary Williams and Ms. Phillipa Suzanne Orchard as alternate director	Investing in small-cap public companies in need of capital
Calder Capital Inc.	BVI	Martin Lechner	Interadvice Directorate Ltd.	Investment holding
Wheddon Limited	BVI	Investec Trust (Guernsey) Ltd as Trustee of the Tchenguiz Family Trust	Finistere Directors Limited and GFT Directors Limited	Investment holding

Note: Mr. Johnny Hon, Mr. Nicholas Camilleri and Mr. Geoff Morrow are former directors of OCG HK and OCG UK. They had been the shareholders of Global Navigator Holdings Limited at the time of the listing of OCG UK on PLUS. Save as disclosed above, there is no other relationship between each of them and the Group or any of the Vendors.

To the best knowledge of the Directors, other than (i) the past investment and the past board representatives in OCG HK; and (ii) the fact that Straum Investments Limited is the controlling shareholder of OCG UK, there is no past or present relationship between each of the Vendors and the Group, its shareholders, directors, senior management or any of their respective associates.

OCG Thailand entered into a participation agreement in respect of electronic data capture machines and a first amendment to the said participation agreement in respect of electronic data capture machines on 13 July 2006 and 24 August 2006 respectively. According to such agreements, SCB, an Independent Third Party, has agreed to accommodate OCG Thailand to use the electronic data capture machines including all related equipment such that any holder of CUP Card may use the CUP Card for payment of goods and services at those stores at which such machines and equipment are installed. The first amendment to the participation agreement was entered into between OCG Thailand and SCB in order to clarify among other things the term of "working days". There is no fixed term provided under such participation agreement. There is no expiry date of the participation agreement and it shall continue until termination by either party by giving to the other party three months' prior written notice of termination.

The group of OCG HK underwent the following reorganisation in preparation for the listing of the shares of OCG UK on PLUS whereby OCG UK became the holding company of the group of OCG HK:

On 17 January 2007, OCG Asia (a) acquired an aggregate of 23,116,988 shares of HK$0.00001 each of OCG HK, representing its entire issued share capital from the Vendors in the proportions of about 65%, 18.04%, 5.25%, 5.25%, 3.50% and 2.96% respectively and (b) issued and allotted 15,026,373 shares, 4,170,178 shares, 1,213,592 shares, 1,213,592 shares, 809,061 shares and 684,191 shares, all credited as fully paid, to the Vendors respectively as consideration thereof. As this was a share transfer between two companies under common control, OCG UK incurred no gain or loss on the transaction and no goodwill is created.

On 18 January 2007, OCG International (a) acquired an aggregate of 23,116,988 shares of OCG Asia, representing its entire issued share capital, from the Vendors in the respective proportions of about 65%, 18.04%, 5.25%, 5.25%, 3.50% and 2.96% and (b) issued and allotted 15,026,373 shares, 4,170,178 shares, 1,213,592 shares, 1,213,592 shares, 809,061 shares and 684,191 shares, all credited as fully paid, to the Vendors respectively as consideration thereof. As this was a share transfer between two companies under common control, OCG UK incurred no gain or loss on the transaction and no goodwill is created.

On 19 January 2007, OCG UK (a) acquired an aggregate of 23,116,988 shares of OCG International, representing its entire issued share capital, from the Vendors in the respective proportions of about 65%, 18.04%, 5.25%, 5.25%, 3.50% and 2.96% and (b) issued and allotted 15,026,374 shares, 4,170,178 shares, 1,213,592 shares, 1,213,592 shares, 809,061 shares and 684,191 shares, all credited as fully paid, to the Vendors respectively as consideration thereof. As this was a share transfer between two companies under common control, OCG UK incurred no gain or loss on the transaction and no goodwill is created.

On 12 March 2007, OCG UK, the holding company of the group of OCG HK, was listed on PLUS. Trading in the shares of OCG UK commenced on the Frankfurt Stock Exchange as a company quoted on the Open Market on 22 March 2007.

On 7 May 2007, Oriental City Group Hong Kong Limited, OCG China (BVI) and OCG Thailand (BVI) were incorporated in the BVI with limited liability and each of which was wholly-owned by OCG Asia.

On 1 June 2007, Oriental City Group Hong Kong Limited acquired the entire issued share capital of OCG HK from OCG (Asia) at a total consideration of HK$10,000, representing the nominal value of OCG HK. The key factor in determining the consideration for such acquisition was that the net asset value of OCG HK was negative. Goodwill has not arisen on such acquisition. The consideration was financed by the internal resources of Oriental City Group Hong Kong Limited.

Pursuant to an equity interest transfer agreement dated 20 July 2007, OCG China (BVI) acquired from OCG HK its 100% equity interest in OCG China at a total consideration of HK$10,000, representing the nominal value of OCG China. The key factor in determining the consideration was that the net asset value of OCG China was negative. Goodwill has not arisen on such acquisition. The consideration was financed by the internal resources of OCG China (BVI).

On 16 October 2007, OCG Thailand (BVI) acquired 1,225,000 shares of OCG Thailand, representing 49% of its issued share capital, from OCG HK at a total consideration of HK$10,000 (equivalent to approximately Baht 45,455), representing the nominal value of OCG Thailand. The key factor in determining the consideration was that the net asset value of OCG Thailand was negative. Goodwill has not arisen on such acquisition. The consideration was financed by the internal resources of OCG Thailand (BVI).

On 28 December 2007, OCG HK (a) assigned to OCG Thailand (BVI) (i) all the interest and benefit of its loan in the aggregate amount of Baht 687,500 (equivalent to approximately HK$151,250) advanced to Mr. Limpkittisin, a then 11% shareholder of OCG Thailand and (ii) all its rights and interest under the Share Purchase Agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin; and (b) released to Mr. Limpkittisin the 275,000 shares of OCG Thailand pledged by him (the "11% Security Interest") under the pledge of shares agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin, for the total consideration of HK$2,245. The consideration was determined on the basis of HK$10,000 for 49% equity interest of OCG Thailand and 11% Security Interest was valued at HK$2,245 accordingly. Goodwill has not arisen on such acquisition. The consideration was financed by the internal resources of OCG Thailand (BVI).

On 28 December 2007, Mr. Limpkittisin pledged the Pledged Shares to OCG Thailand (BVI), after which OCG Thailand (BVI) held, other than its 49% legal interest, the 11% Security Interest in OCG Thailand before the restructuring.

On 15 February 2008, before the previous agreement expired on 23 February 2008, OCG China and BOCOM's Hainan provincial branch entered into a new agreement to further develop the business of the payment card business in the PRC for a period of three years from 25 February 2008 to 24

February 2011. Pursuant to the new agreement, OCG China and BOCOM's Hainan provincial branch shall be respectively entitled to share 60% and 40% in the total income derived from card annual fee and transaction fee. Each party may terminate the agreement in accordance with the relevant provisions of the agreement. This new agreement effectively supersede the previous agreement dated 24 February 2005 as well as the supplemental agreement dated 26 November 2007.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, based on the principle of the general rule of law and the normal practice of relevant authorities, the acquisition of shares by a Thai shareholder using fund from a foreign source to purchase shares shall not be determined as a nominee shareholder of foreigner if it can be proved that such shareholder acts in good faith. As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, the general principle of law to test good faith is the "real intention" of the shareholder. If the shareholder really intends to subscribe for shares in a company and wants to hold such shares for his own benefit, even though he borrows the money from a foreign source to acquire such fund, this is considered to be 'in good faith'. Sections 5 and 6 of the Thai Civil and Commercial Code respectively provide that "every" person must, in the exercise of his rights and in the performance of his obligations act in good faith and that "everyone is presumed to be acting in good faith". Hence, the shareholding structure of OCG Thailand before the restructuring is valid and enforceable under the applicable laws and regulation including the FBA, given that Mr. Limpkittisin has acted in good faith.

On 30 April 2009, following completion of registration by the relevant authority in Thailand, OCG Thailand completed the restructuring of its shareholding structure and is now owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong, who is an independent third party to the Company, the latter 2 shareholders all being Thai nationals. The preference shares held by Ms. Nongluck Anantachote can be freely transferred to other Thai citizens. Details of the shares of OCG Thailand comprising ordinary shares and preference shares are set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus.

On [•••] 2009, the Group underwent the Reorganisation in preparation for the listing of the Shares on GEM whereby the Company became the holding company of the Group. The Company was incorporated as an exempted company in the Cayman Islands under Companies Law on 12 December 2007. Details of the Reorganisation are set out under the paragraph headed "Group reorganisation" in Appendix V to this prospectus.

MAJOR TERMS OF THE AGREEMENTS WITH CUP, BOCOM'S HAINAN PROVINCIAL BRANCH AND SCB

OCG Thailand cooperation agreement with CUP dated 1 April 2006

Duration of agreement:

- 3 years from 1 April 2006 (automatically renewed on 1 April 2009, pursuant to the renewal clause stipulated in the agreement)

Rights & obligations:

- a new bankcard acquiring agreement with CUP to promote its international card acceptance platform for a period 3 years

- the major conditions, restrictions and financial terms of the agreement are set out as follows:

  (i) With the approval of CUP, a bank in Thailand will be appointed for the clearance of the CUP Card transactions. Such bank is the agent of OCG Thailand and OCG Thailand shall be responsible for the acts of such bank in relation to the clearance of the CUP Card transactions;

  (ii) If the card transaction is successfully carried out through a POS card terminal, OCG Thailand will pay a transaction fee to CUP including 1% service fee, and 0.2% agency fee being the fee for recognising OCG Thailand as the card acceptance partner of CUP;

  (iii) CUP shall be responsible for notifying OCG Thailand within 10 business days of any new, or change in existing, PRC laws, rules or regulations that restrict the scope of the class of merchants. OCG Thailand shall adjust its eligible business merchants according to the new or amended law or regulation within one month after [receipt of/issue of] the notification from CUP. If OCG Thailand fails to adjust the eligible business merchants within the prescribed time, it shall be responsible for any losses that may be incurred or suffered by CUP; and

  (iv) OCG Thailand undertakes not to explore or market the card acceptance business to merchants that were prohibited by CUP to do so and OCG Thailand shall only connect the system through the transmission system of CUP in Hong Kong.

Termination:

- automatic extension of 3 years following the expiry of the initial term, unless otherwise terminated

- Each party may terminate the agreement in accordance with the relevant provisions of the agreement including if,

  (i) a party is incapable of performing its obligations as a result of the commencement of the winding up proceedings of such party;

  (ii) there exists laws, rules or regulations that require the termination of the agreement;

(iii) a party commits any act that is seriously detrimental to the reputation of the other party; or

(iv) a party commits a material breach of any terms and conditions of the agreement.

Agreement with OCG China and BOCOM's Hainan provincial branch dated 15 February 2008

Duration of agreement:

- 3 years from 25 February 2008 to 24 February 2011
- As the previous agreement expired on 23 February 2008, OCG China and BOCOM's Hainan provincial branch entered into a new agreement to further develop the payment card business in the PRC for a period of three years from 25 February 2008 to 24 February 2011

Rights & obligations:

- OCG China and BOCOM's Hainan provincial branch are entitled to share 60% and 40% respectively in the total income from card annual fee and transaction fee. BOCOM's Hainan provincial branch will provide monthly accounts to OCG China setting out the total income generated from annual card fee and transaction fee on the 15th day of each month and OCG China shall have the right to send representatives including accountants and auditors to verify the figures in the accounts
- OCG China is responsible for marketing, card acquisition (exercise to acquire new card members) and business partners relationship development
- BOCOM is responsible for operation, card issuing and customer service
- A portion of property of BOCOM's Hainan provincial branch is leased to OCG China on a complimentary basis inclusive of management fees, electricity charges and water charges for 3 years commencing from 25 February 2008. Subletting or assignment of the occupation is prohibited

Termination:

- Each party may terminate the agreement in accordance with the relevant provisions of the agreement including if:

(i) a party commits a breach of any terms and conditions of the agreement which has not been remedied at the expiry of 7 days following the service of the notice requiring remedial action;

(ii) there exists any voluntarily or involuntarily winding up proceedings of a party or if a party has any arrangements with creditors; or

(iii) a receiver or trustee takes possession of all or any part of the business or assets of a party.

OCG Thailand participation agreement (with no fixed term) & first amendment with SCB dated 13 July 2006 and 24 August 2006 respectively

Rights & obligations:

- SCB agrees to accommodate OCG Thailand for the selective use of its POS card terminals/ electronic data capture machines including all related equipment such that any holder of CUP Card may use the CUP Card for payment of goods and services at certain stores at which aforesaid machines and equipments are located and installed.

- In consideration of such use, SCB is entitled to revenues to be derived from the use of CUP Cards by the holders thereof on a monthly basis calculated in the following manner:

  For all the electronic data capture machines where Signed MDR is at or above 1.5%,

  The higher of (a) 50% of the aggregate Net MDR; or (b) Baht 50 per one electronic data capture machine including all related equipment ("EDC") plus Baht 1,000 per one NAC installed in such stores and shops as agreed by OCG Thailand and SCB for the acceptance of CUP Cards.

  For all the electronic data capture machines where Signed MDR is below 1.5%,

  The higher of (a) 30% of the aggregate Net MDR; or (b) Baht 50 per one EDC plus Baht 1,000 per one NAC installed in such stores and shops as agreed by OCG Thailand and SCB for the acceptance of CUP Cards.

  Signed MDR means the total amount of fee payable by such agreed stores and shops calculated pursuant to the rate of minimum discount rate mutually agreed by SCB and such agreed stores and shops under the relevant credit card acceptance agreement. Net MDR means Signed MDR minus the fee generally chargeable by the issuing bank of CUP Cards in respect of the use of CUP Cards.

MANAGEMENT CONTINUITY

OCG Thailand since 1 April 2006 and OCG China have been the principal operating subsidiaries of the Company up to the Latest Practicable Date.

For OCG Thailand, two directors, namely Mr. Yu and Mr. Chan Ngok and two members of the senior management, namely Mr. Phuri Khamphidet and Mr. Limpkittisin, formed and remained the core management of OCG Thailand responsible for the day-to-day management of OCG Thailand during most of the Active Business Pursuits Period. Mr. Phuri Khamphidet and Mr. Limpkittisin were not appointed as Directors primarily due to their relatively short period of service within the Group.

During the Active Business Pursuits Period, Mr. Yu was responsible for the formulation of corporate policies of OCG Thailand and overseeing the day-to-day management of OCG Thailand, Mr. Chan Ngok was responsible for the corporate strategic planning for OCG Thailand and development of business network with CUP, Mr. Phuri Khamphidet took the lead role for the development of China UnionPay acquiring business in Thailand and Mr. Limpkittisin was responsible for the operation process for acquiring business of OCG Thailand. Both Mr. Phuri Khamphidet and Mr. Limpkittisin carried out their duties under the direction of Mr. Yu. Due to his health and physical condition and since he is already over 70, Mr. Chan Ngok is no longer actively involved in day-to-day management and activities of OCG Thailand and has remained as a non-executive director since December 2008. Mr. Yu and Mr. Phuri Khamphidet, merchant business director, have jointly taken over Mr. Chan Ngok's responsibility in OCG Thailand.

Both the Directors and VGI Group Co., Ltd. have confirmed that the two (or one) board representative(s) of OCG Thailand nominated by VGI Group Co., Ltd. had only been the passive director(s) of OCG Thailand who had not been involved in the day-to-day management of OCG Thailand. Both the Directors and Mrs. Nongluck Anantachote have confirmed that the currently one board representative of OCG Thailand nominated by Mrs. Nongluck Anantachote has only been the passive director of OCG Thailand who has been involved in the day-to-day operations of OCG Thailand pursuant to the instructions of the board representatives nominated by OCG Thailand (BVI). During the Track Record Period, there were no material disagreements among the board of directors of OCG Thailand

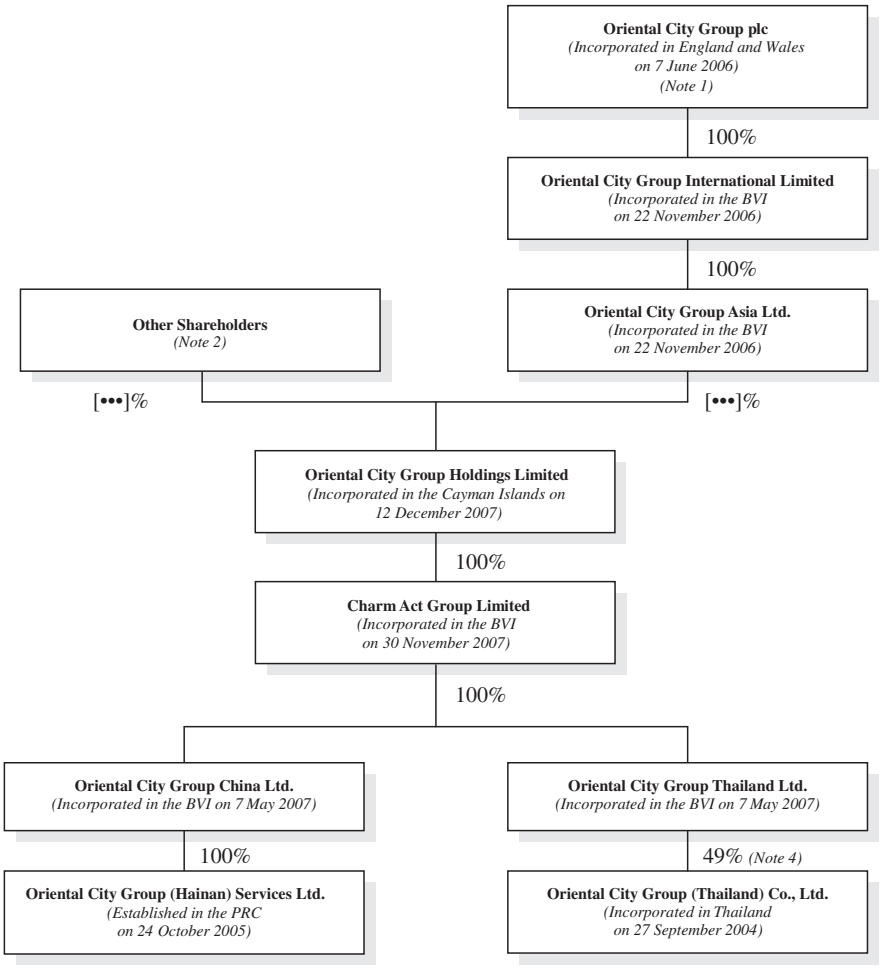
For OCG China, Mr. Yu is the sole director (or legal representative) and senior management of OCG China during the Active Business Pursuit Period other than Ms. Chen Xiao Min, Sandy who joined the Group as the assistant manager of OCG China in July 2007.

Since (i) Mr. Yu, Mr. Chan Ngok, Mr. Phuri Khamphidet and Mr. Limpkittisin formed and remained in positions of responsibility, with OCG Thailand throughout the Active Business Pursuits Period, (ii) there has been no change of director of OCG China during the Active Business Pursuits Period and (iii) Mr. Yu, Mr. Phuri Khamphidet and Mr. Limpkittisin will continue to form the core management of the Group at the time of the listing and thereafter, the Directors consider that the management continuity has been maintained during the Active Business Pursuits Period.

BUSINESS

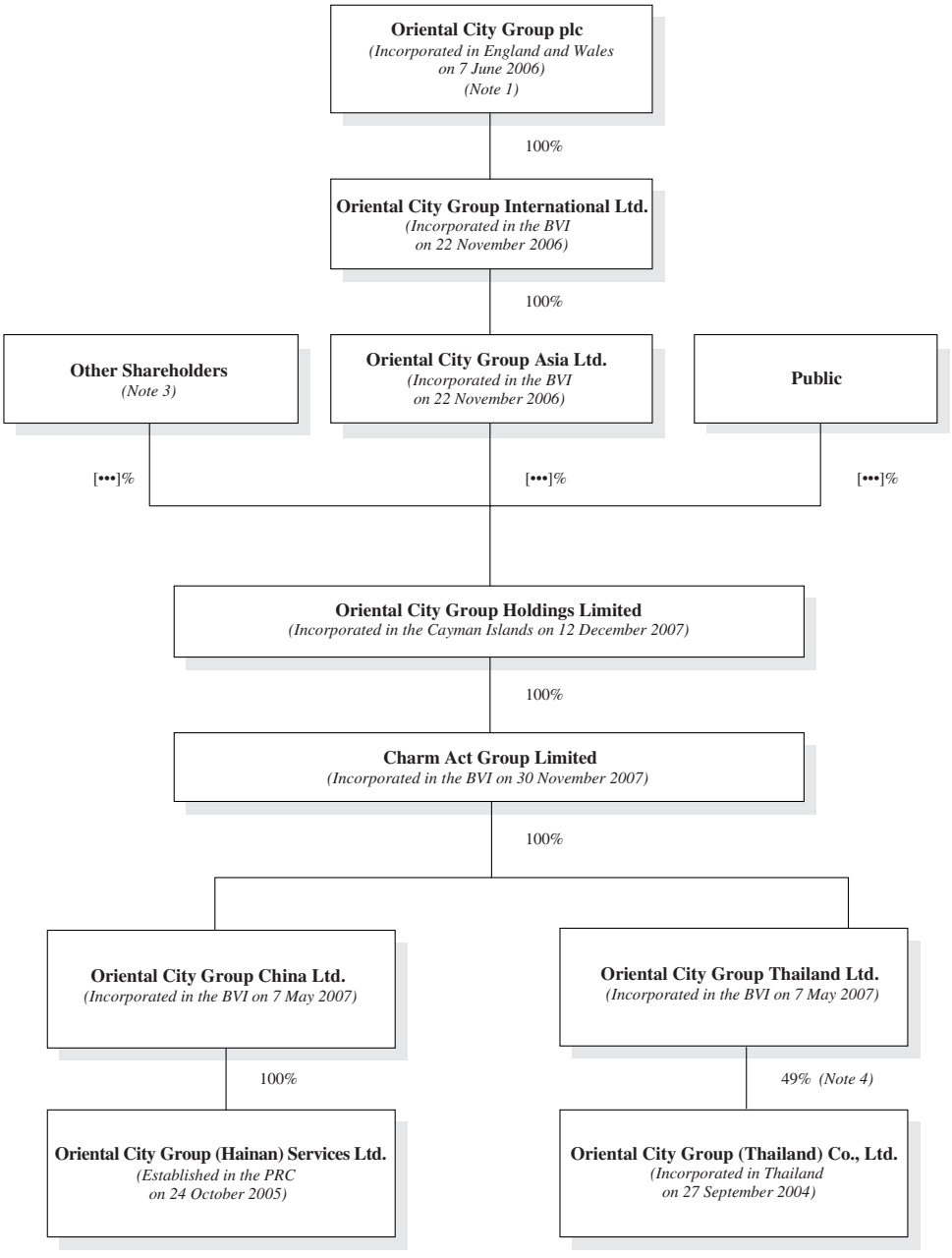
SHAREHOLDING AND CORPORATE STRUCTURE

The chart below sets out the shareholding and the corporate structure of the Company, including its shareholders and its subsidiaries, immediately before completion of the Placing and the Capitalisation Issue:



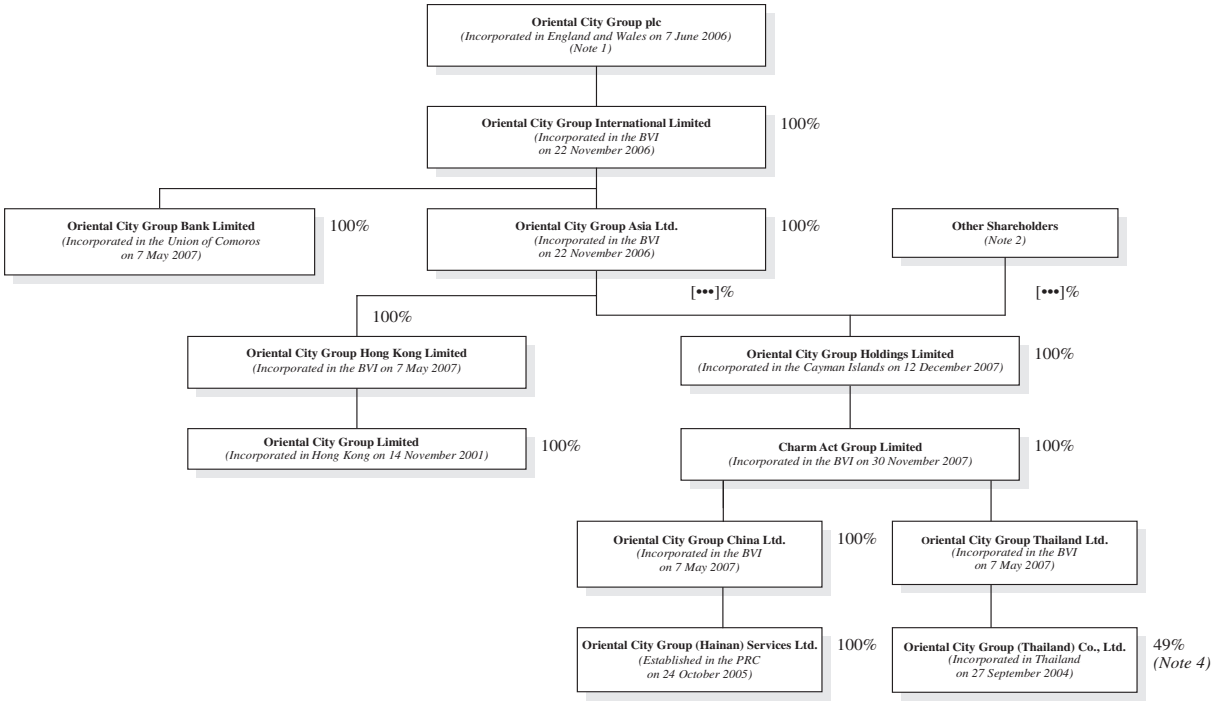
BUSINESS

The chart below sets out the shareholding and the corporate structure of the Company, including its shareholders and its subsidiaries, immediately following completion of the Placing and the Capitalisation Issue (assuming that the Offer Size Adjustment Option is not exercised), and without taking into account any Shares that may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme:



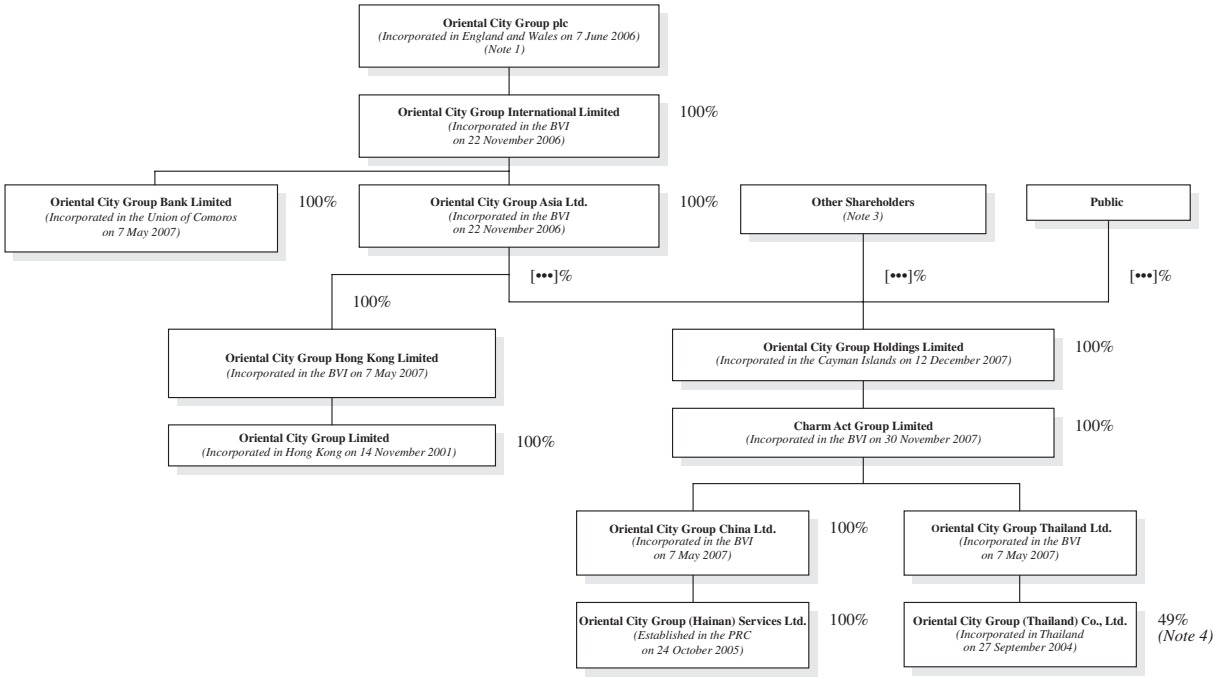
BUSINESS

The chart below sets out the shareholding and the corporate structure of OCG UK, including its shareholders and its subsidiaries, immediately before completion of the Placing and the Capitalisation Issue:



BUSINESS

The chart below sets out the shareholding and the corporate structure of OCG UK, including its shareholders and its subsidiaries, immediately following completion of the Placing and the Capitalisation Issue (assuming that the Offer Size Adjustment Option is not exercised), and without taking into account any Shares that may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme:



Notes:

1. According to the information provided by OCG UK and to the best knowledge of the directors of OCG UK, as at the Latest Practicable Date, Straum Investments Limited, Jefferies International (Nominees Limited), Lynchwood Nominees Limited, Deutsche Bank AG, Vidacos Nominees Limited and JIM Nominees Limited which hold approximately 45.36%, 13%, 7.2%, 5.52%, 5.48% and 5.17% of the total issued shares of OCG UK respectively, are the only shareholders of OCG UK holding more than 5% shareholding in OCG UK.

2. Details of the shareholdings of the Other Shareholders immediately before completion of the Placing and the Capitalisation Issue are as follows:

Name	**Number of Shares held**	**Shareholding**
Mr. Yu *(an executive Director)*	[•••]	[•••]%
Ms. Wong Lai Chun *(a non-executive Director)*	[•••]	[•••]%
Mr. Sung Hak Keung, Andy *(a member of the senior management of the Group)*	[•••]	[•••]%
Mr. Kanjanapas Shui Yiu Kelvin *(an ex-director of OCG Thailand who is not holding any position within the Group as at the Latest Practicable Date. Mr. Kanjanapas Shui Yiu Kelvin holds 1,999,970 or approximately 99% of the total registered shares of VGI Group Co., Ltd.)*	[•••]	[•••]%

3. Details of the shareholdings of the Other Shareholders upon completion of the Placing and the Capitalisation Issue are as follows:

Name	Number of Shares held	Shareholding
Mr. Yu *(an executive Director)*	[•••]	[•••]%
Ms. Wong Lai Chun *(a non-executive Director)*	[•••]	[•••]%
Mr. Sung Hak Keung, Andy *(a member of the senior management of the Group)*	[•••]	[•••]%
Mr. Kanjanapas Shui Yiu Kelvin *(an ex-director of OCG Thailand who is not holding any position within the Group as at the Latest Practicable Date. Mr. Kanjanapas Shui Yiu Kelvin holds 1,999,970 or approximately 99% of the total registered shares of VGI Group Co., Ltd.)*	[•••]	[•••]%

4. OCG Thailand (BVI) owns approximately 49% of the total issued share capital of OCG Thailand. OCG Thailand (BVI) is a company incorporated under the laws of the BVI with limited liability on 7 May 2007 and an indirect wholly-owned subsidiary of the Company. OCG Thailand is owned by 3 shareholders and is owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong, the latter 2 shareholders all being Thai nationals. Details of the shares of OCG Thailand comprising ordinary shares and preference shares and the relevant arrangements are set out in the paragraph headed "Preference shares structure arrangement of OCG Thailand" in the section headed "Business" of this prospectus. As such arrangements give the Group control over OCG Thailand, the financial results of OCG Thailand are combined into the Group's combined financial information by the merger accounting method.

PRINCIPAL COMPETITIVE STRENGTHS

The Directors believe that continuing growth in the levels of per capita disposable income in the PRC will lead to greater demand within the PRC for lifestyle products such as those being considered by the Group and will stimulate higher outgoing tourist traffic from the PRC. Such growth will be of benefit to the Group's core businesses, which comprise its growing card acceptance business, currently mainly focused in Thailand, and its co-branded card partnership business in the PRC, where it has established a foothold with its cooperation with BOCOM's Hainan provincial branch.

The Directors consider that the Group possesses the following principal competitive strengths:

(a) Being the leading CUP card acceptance business provider in Thailand

The Directors believe that the Group is currently the leading service provider of debit card business in terms of transaction volume to provide the CUP Card acceptance services in Thailand. In cooperation with CUP, OCG Thailand launched the CUP Card acceptance service in Thailand in January 2005 and the Group received the Best Performing Merchant Acquirer Award from China Unionpay for its card acquiring services in Thailand in 2007.

Through its cooperation with SCB, one of the largest commercial banks in Thailand, the Group has been able to maintain its leading position in the market, despite the increasing competition from other Thai banks. According to information provided by CUP, the Group processed the most CUP transactions in terms of transaction volume of debit cards in 2006, 2007 and 2008 in Thailand, with a market share of 50.06%, 51.20% and 54.83% respectively on CUP transactions;

(b) Proven win-win and productive business partnership with giant partners like China Unionpay and BOCOM

The Group attaches great importance to its relationship with CUP and the Directors believe that the Group has maintained a good relationship with CUP, having facilitated the entry of CUP into the Thai credit card market. The Group is committed to building on this cooperative relationship by assisting CUP to enhance its merchant base in other major tourists areas in Thailand as well as to develop new markets, such as Laos and Macau. The Group also values its relationship with BOCOM and is seeking to discuss further cooperation with BOCOM in the area of credit cards.

(c) Simple corporate and regional team management structure to work with business partners and execute business strategies effectively and speed and efficiency in transforming business concepts and opportunities into a productive business platform

The Group has a simple, regional team management structure which facilitates rapid decision-making. The Directors believe that, with the experience of its senior management, the Group is able to evaluate potential market development strategies in its target markets and be proactive in exploring business opportunities and commercializing business concepts to meet its partners' business development strategies and needs.

(d) Experienced management team with strong industry expertise

The Group is led by an experienced management team with strong industry expertise, and in particular by the founder of the Group and its chairman, Mr. Yu who has extensive experience with major credit card companies and financial institutions. The Group's senior management team in Thailand, including Mr. Phuri Khamphidet and Mr. Limpkittisn, brings together strong local knowledge of the Thai market and technical expertise and experience in the credit card industry. Mr. Phuri Khamphidet has strong experience in credit card business development and marketing with more than 14 years of experience in merchant acquiring business in high profile financial institutions such as Citibank N.A. and Diners Club (Thailand) Co., Ltd. and has been responsible for developing the Thai market and exploring potential business possibilities in Laos. Mr. Limpkittisin is in charge of the operation process for card acquiring business of OCG Thailand and has many years of working experience since 1990 in the credit card industry with institutions such as SCB, Standard Chartered Bank, Citibank N.A. and AIG Card (Thailand) Company Limited. The Directors believe that the Group's experienced management team positions in well for its future development plans.

STATEMENT OF ACTIVE BUSINESS PURSUITS

The following are details of the Group's business pursuits for the period from 1 April 2006 to the Latest Practicable Date:

For the year ended 31 March 2007

Corporate development

As confirmed by the Hainan Golf Association on 22 June 2009, The Pacific-OCG Golf Card was the only golf card in Hainan.

In July 2006, OCG Thailand teamed up with one of Thailand's major commercial banks, SCB, in order to expand CUP's merchants acceptance network in strategic locations in Thailand.

Pursuant to a participation agreement in respect of POS card terminals dated 13 July 2006, SCB allowed OCG Thailand to participate in the use of SCB's POS card terminals located at the installed merchants networks of SCB throughout Thailand, thereby providing access for, the holders of CUP Cards to use their cards through such POS card terminals for the payment of goods. There is no fixed term provided under such participation agreement. As at 30 June 2009, SCB has installed/upgraded 341 of SCB's POS card terminals, which can accept CUP Card transactions through the Group, in addition to the traditional VISA card or Mastercard only transactions.

The cooperation between SCB and OCG Thailand also enables OCG Thailand to expand the merchants network that can accept CUP Cards efficiently from the key tourist cities of Bangkok and Pattaya to other major tourist cities including Phuket and Chiang Mai, facilitating the use by CUP Card holders of their CUP Cards when travelling in Thailand. OCG Thailand has been able to expand its CUP Card merchants acceptance network by leveraging on the SCB and OCG Thailand partnership.

In October 2006, one of OCG Thailand's major merchants, King Power Duty Free shops at the Thai international airport started to accept payment by CUP Cards.

Sales and marketing

In March 2007, OCG China was also a major sponsor for one of the most prestigious golf tournaments held in Hainan Province, PRC – TCL Classic.

The number of Pacific-OCG Golf Cards issued reached over 30,000 cards as at 31 March 2007. The number of active card users (i.e. those having at least one transaction during the year) was approximately 4,300 during the year ended 31 March 2007.

OCG Thailand worked closely with CUP in the PRC to promote CUP acceptance services in Thailand and marketing and promotion leaflets were being distributed by travel agents in the PRC and the Thai international airport.

The Group's card acceptance transaction volume reached over Baht 450 million (equivalent to approximately HK$99 million) and there were approximately 49,000 successful transactions processed via the Group's POS terminals in Thailand for the year ended 31 March 2007.

Staffing

As at 31 March 2007, the Group had 10 staff, of whom 3 were involved in management, 5 in sales and marketing and 2 in finance and general administration.

Financing

The Group's operation was principally financed by the Group's revenue generated from its business, while raising the remainder of its capital requirements through advances from OCG HK.

For the year ended 31 March 2008

Corporate development

OCG China studied the marketing potential for other lifestyle cards in the PRC, with the specific themes of Health and Beauty Card in the market of Shanghai, and Family Card in Beijing.

OCG Thailand studied expanding its CUP Card acceptance services beyond Thailand to other Asian countries or tourists markets frequented by Chinese tourists. In relation to this, both Laos and Macau were being closely studied by the Group.

Separately, CUP awarded OCG Thailand "The Best Performing Merchant Acquirer in Thailand" for the year 2007.

Sales and marketing

The Pacific-OCG Golf Card reached 43,972 cards as at 31 March 2008. The number of active card users (i.e. those having at least one transaction during the year) was approximately 2,900 during the year ended 31 March 2008.

The card acceptance transaction volume reached approximately Baht 1,206 million (equivalent to approximately HK$265 million) and there were approximately 170,000 successful transactions processed via the Group's POS terminals in Thailand for the year ended 31 March 2008.

Staffing

As at 31 March 2008, the Group had 12 employees, of whom 3 were involved in management, 5 in sales and marketing and 4 in finance and general administration.

Financing

The Group's operation was principally financed by the Group's revenue generated from its business, while the remainder of its capital requirements was raised through advances from OCG HK.

For the year ended 31 March 2009

Corporate development

On 30 June 2008, OCG China (BVI), the immediate holding company of OCG China, entered into a "co-operation memorandum" with the Shanghai Pudong Development Bank in relation to proposed co-operation in the issue of new lifestyle credit and debit cards. The Group and the Shanghai Pudong Development Bank decided to postpone the launch of an "entertainment card" (targeting those frequent travellers between Mainland China, Macau and Hong Kong) due to the current economic status.

Since September 2008, OCG Thailand began to utilize a new type of POS card terminal that applies GSM/GPRS wireless technologies. This new type of mobile POS card terminal allows merchants located in areas which may not have reliable access to traditional fixed telephone lines to use the services provided under the Group's card acceptance business and also enhances the POS card terminal coverage at existing merchants. As at the Latest Practicable Date, the Group has deployed 26 mobile POS card terminals in Bangkok, Pattaya, Chiang Mai, Chiang Rai, Phuket and Koh Samui in Thailand.

Sales and marketing

The number of Pacific-OCG Golf Cards issued reached approximately 48,000 cards as at 31 March 2009. The number of active cards (i.e. those having at least one transaction during the period) was approximately 2,800 during the year ended 31 March 2009.

Since the outbreak of (i) the ongoing financial crisis in about September 2008 and (ii) the political crisis in Thailand, the performance of the Group's card acceptance business in Thailand was very volatile. In contrast to the same period in 2007, the card acceptance transaction volume dropped abruptly in September, picked up in October and November 2008 but substantially decreased in December. The monthly card acceptance transaction volume processed by OCG Thailand was approximately Baht 54 million (equivalent to approximately HK$12 million), Baht 83 million (equivalent to approximately HK$18 million), Baht 121 million (equivalent to approximately HK$27 million) and Baht 28 million (equivalent to approximately HK$6 million for September, October, November and December 2008 respectively). The Directors consider that the occurrence of certain events, such as the siege of the international airport in Thailand by the protesters and the forced resignation of the then appointed Prime Minister of Thailand led to a material adverse change in the financial position of the Group in December 2008. However, the card acceptance transaction volume of the Group's card acceptance business in Thailand recovered after the settlement of the events in January 2009. For comparison purposes, the average monthly card acceptance transaction volume for the year ended 31 March 2009 was approximately Baht 142 million (equivalent to approximately HK$31 million). The

total transaction volume for the year ended 31 March 2009 was approximately Baht 1,704 million (equivalent to approximately HK$375 million). There were approximately 260,000 successful card acceptance business transactions during that period.

Staffing

As at 31 March 2009, the Group had 10 employees, of whom 3 were involved in management, 4 in sales and marketing and 3 in finance and general administration.

Financing

The Group's operation was principally financed by the Group's revenue generated from its business.

For the period from 1 April 2009 to the Latest Practicable Date

Corporate development

As at the Latest Practicable Date, the Group has deployed 29 mobile POS card terminals in Bangkok, Pattaya, Chiang Mai, Chiang Rai, Phuket and Koh Samui in Thailand.

Sales and marketing

The number of Pacific-OCG Golf Cards issued reached approximately 48,000 cards as at 30 June 2009. The number of active cards (i.e. those having at least one transaction during the period) was approximately 1,100 as at 30 June 2009. Since the outbreak of (i) the ongoing financial crisis in about September 2008, (ii) the political crisis in Thailand and (iii) the occurrence of the human swine flu (H1N1) pandemic, the performance of Group's card acceptance business in Thailand was very volatile. The average monthly card acceptance transaction volume for the period from 1 April 2009 to 31 July 2009 was approximately Baht 114 million (equivalent to approximately HK$25 million). The total transaction volume for the period was approximately Baht 458 million (equivalent to approximately HK$101 million). There were approximately 78,000 successful card acceptance business transactions during that period.

As at the Latest Practicable Date, there has been no material adverse change in the sales and marketing position of the Group.

Staffing

As at the Latest Practicable Date, the Group had 11 employees, of whom 3 were involved in management, 4 in sales and marketing and 4 in finance and general administration.

Financing

The Group's operation was principally financed by the Group's revenue generated from its business.

BUSINESS

BUSINESS OF THE GROUP

The Group is principally engaged in the cards and payment (including debit and credit cards) related businesses, namely the card acceptance business and the co-branded card partnership business in Thailand and the PRC respectively. The Group conducts its business through business partnerships with prestigious organisations and financial institutions such as CUP, BOCOM's Hainan provincial branch and SCB.

CUP card acceptance business is the business platform through which the Group is engaged in business partnership with CUP in Thailand, whereby the Group installs POS card terminals, or cooperates with SCB in the selective use of POS terminals owned by SCB, to enable such POS terminals to accept CUP cards at Thai merchants frequented by Chinese tourists (who are most likely CUP Card members) and both CUP credit and debit cards are accepted at the POS card terminals at Thai merchants. The Group's POS card terminal enables CUP Card transactions to be routed to CUP for authorization, upon which the transactions by means of CUP Card can be completed. When CUP Cards are issued to card members, card members may use their CUP Cards at merchants installed with POS card terminals that can accept CUP Cards to conduct transactions in case card members are purchasing products and services offered at the merchants, and prefer not to use cash or check for payment.

With respect to the development of the Group's co-branded card partnership business in the PRC, the Group is continuing to cooperate with BOCOM's Hainan provincial branch to promote The Pacific-OCG Golf Card to targeted golfing customers. The Group is responsible for marketing and promotion, whilst BOCOM is responsible for the card issuance and customer services. The Group conducts its business by promoting The Pacific-OCG Golf Card at major golf clubs and lifestyle golf establishments (including but not limited to golf courses, golf equipment and merchandise retail shops, golf practice/driving ranges, and golf associations) frequented by golfing customers. The golfing services provided under these co-branded cards are used in Hainan Province, while the cards themselves can be used as common debit cards elsewhere in the PRC.

The table below sets out a summary of the Group's revenue types.

Services	Revenue types		Revenue model
Card acceptance business	(i)	Card acceptance transaction fee income	a transaction fee payable to CUP, card issuing bank and card acceptance service provider (the Group) by the merchants if the card transaction is carried out through a POS card terminal that processes CUP Cards utilized by the Group. The card acceptance transaction fee income derived is shared among the Group, the Group's bank partner and CUP on a proportionate basis. The transaction fee is only payable if the card transaction is carried out successfully through a POS card terminal. If the card transaction is carried out through SCB's POS card terminals (MDR of 1.80% to 2% of total transaction amount), the Group, SCB and CUP will be entitled to share 0.3% to 0.4%, 0.3% to 0.4% and 1.2% of the transaction amount respectively. If the card transaction is carried out through the Group's own POS card terminals (MDR of 1.25% to 2.5% of total transaction amount), the Group and CUP will be entitled to share 0.05% to 1.3% and 1.2% of the transaction amount, respectively.
	(ii)	Foreign exchange rate discount income	CUP offers a guaranteed discount of 0.5% to the spot exchange rate of US$ against Baht to cover the Group for the volatility of Baht between the transaction date and the settlement date. CUP offers discount to the spot exchange rate for successful transactions only.

Card acceptance transaction fee income comprises direct income for the Group's operation in sourcing merchants to install the POS card terminals and processing transactions through the network as built. In addition, foreign exchange rate discount income is an additional source of income in distributing funds (in US$) from CUP to various merchants (in Baht) which have joined OCG Thailand's card acceptance network. Both of these income sources originate from the card acceptance business and thus they are considered to be one business segment instead of two.

Co-branded card partnership business	(i)	Card annual fee income	an annual financial charge payable to the issuer of the payment cards by the cardholders. These fees are normally billed directly to the card holder's annual statement. During the period from the commencement of the relevant business up to 24 February 2007, OCG China and BOCOM's Hainan provincial branch were respectively entitled to share 70% and 30% of the total income generated from the annual card fee and the transaction fee. From 25 February 2007 to 24 February 2011, OCG China and BOCOM's Hainan provincial branch shall be respectively entitled to share 60% and 40% of the total income generated from the annual card fee and the transaction fee.
	(ii)	Card transaction fee income	a transaction fee payable to the card issuing bank by the merchants if the transaction is carried out through a POS card terminal conducted by the card issued by the card issuing bank. The card transaction fee income derived is shared between the card issuing bank and the Group on a proportionate basis. During the period from the commencement of the relevant business up to 24 February 2007, OCG China and BOCOM's Hainan provincial branch were respectively entitled to share 70% and 30% of the total income generated from the annual card fee and the transaction fee. From 25 February 2007 to 24 February 2011, OCG China and BOCOM's Hainan provincial branch shall be respectively entitled to share 60% and 40% of the total income generated from the annual card fee and the transaction fee.

Co-branded card annual fee income and transaction fee income are directly related to the Group's effort in marketing and promotion of the issue and use of the co-branded cards. They are subject to the same risks and rewards. Thus, they are considered to be one business segment instead of two.

For the three years ended 31 March 2009, the Group's turnover attributable to the card acceptance business accounted for the largest share of the Group's turnover. Set out below is the breakdown of the Group's revenue by business and geographical segments during the Track Record Period.

Revenue

	Year ended 31 March					
	2007		2008		2009	
	HK$	*% of total revenue*	*HK$*	*% of total revenue*	*HK$*	*% of total revenue*
Thailand						
Card acceptance transaction fee income	1,380,504	74.7%	4,430,024	60.9%	5,838,660	74.8%
Foreign exchange rate discount income	296,992	16.0%	2,717,678	37.3%	1,869,622	23.9%
Sub-total	1,677,496	90.7%	7,147,702	98.2%	7,708,282	98.7%
The PRC						
Co-branded card annual fee income	91,780	5.0%	86,087	1.2%	74,307	1.0%
Co-branded card transaction fee income	79,660	4.3%	46,308	0.6%	24,856	0.3%
Sub-total	171,440	9.3%	132,395	1.8%	99,163	1.3%
Total	1,848,936	100%	7,280,097	100%	7,807,445	100%

Card acceptance business

To capture the business opportunity, and in line with CUP's strategy to develop the international market, OCG Thailand launched the CUP Card acceptance service in Thailand in January 2005. Currently, there are three service providers for CUP Card acceptance services in Thailand, namely OCG Thailand, Bangkok Bank Public Company Limited, and Kasikorn Bank. The Directors believe that the Group is among the first service providers to provide the CUP Card acceptance services in Thailand. The bank partner of the Group in Thailand is SCB, one of the largest commercial banks in Thailand in terms of assets, which provides the settlement service. OCG Thailand has entered into arrangements with SCB in respect of its role as a settlement bank in its CUP Card acceptance business in Thailand. OCG Thailand has maintained a business account at SCB for the said purpose which

is governed by the terms and conditions of the said account. The Company's Thai legal advisers, Somphob Tax and Law Office Ltd., are of the view that the said arrangements between OCG Thailand and SCB are legal, valid, and enforceable under the law.

Among the first international business partners of CUP, OCG Thailand works with CUP to serve Thai merchants and Chinese tourists. To complement OCG Thailand's local team, the headquarters of the Group in Hong Kong provides technical and management support through its regional management infrastructure. The Group has chosen to locate its headquarters in Hong Kong, as it has to oversee the management of both the CUP Card acceptance business in Thailand as well as the co-branded partnership card business in the PRC, and the Hong Kong headquarters provides the Group with working efficiency for both markets. Regional management infrastructure refers to the local management teams in the PRC and Thailand, and Hong Kong provides management support for the Group's business in both of those markets. Based on the 3-party partnership model among CUP, SCB and OCG Thailand, the Directors believe that OCG Thailand has been able to develop efficiently in the fast growing payment and financial services market in Thailand.

The Group is responsible on a non-exclusive basis for promoting the CUP Card acceptance and payment processing services in Thailand. The Group assists in identifying potential merchants that are located in the areas frequented by Chinese tourists and promotes the CUP Card acceptance and payment processing services to those merchants so that those merchants can utilize the POS card terminals to accept CUP Cards. The Group pays an information technology and licence fee of 1.2% of the total transaction amount on each successful transaction processed by CUP. Such transaction fee was agreed after arms' length negotiations between CUP and the Group and is only payable if the card transaction is carried out successfully through a POS card terminal. The Group has the discretion in determining the MDR charged to those Thai merchants, for whom the Group is responsible for the installation and/or provision/upgrade of POS card terminals to Thai merchants. MDR is the "merchant discount rate" which the Group deducts from the transaction amount of each transaction from the merchants. The MDR charged by the Group to Thai merchants is subject to competitive market rates, and the Group charged an average between 1.25% to 2.5% of the total transaction amount on each successful transaction during the Track Record Period.

POS card terminals are electronic and telecommunication devices that enable the card members of a financial institution to perform card payment transactions. They are generally installed in retail shops, supermarkets, restaurants, hotels and stadiums, as well as other types of retail establishments which allow the customers of such establishments to make electronic payments for goods and services if they are card holders. The relevant transaction amount is deducted from CUP Card holders' card accounts with the card issuing banks in the PRC immediately. Then CUP will transfer the net settlement amount (total amount to be settled with respective merchants less information technology and licence fee collected by CUP of 1.2% of the total transaction amount) to OCG Thailand's bank accounts on the next business day. Upon receipt of the net settlement from CUP, OCG Thailand will transfer the amount, which is calculated as the total amount to be settled with the respective merchants less the agreed MDR, to the respective merchants' bank accounts at SCB. Pursuant to the SCB agreement, SCB should share 50% of the net MDR with OCG Thailand. During the Track Record Period, OCG Thailand was charging 1.8% MDR for all SCB's merchants, and both OCG Thailand and SCB were sharing 0.3% (i.e. (1.8% -1.2% CUP) x 50%) of the net MDR. Subsequent to 31 March 2009, OCG

Thailand signed a new SCB merchant with 2% MDR. So SCB earned 0.4% (i.e. (2%-1.2%CUP) x 50%) from OCG Thailand on this new merchant. SCB charged 0.3 to 0.4 % during the Active Business Pursuits Period. SCB will share 50% of the net MDR which is payable on a monthly basis.

Pursuant to the OCG Thailand cooperation agreement with CUP dated 1 April 2006 (renewed on 1 April 2009 for another 3 years), CUP adopts the daily exchange rate between Baht and US$ provided by Reuters at 10:00 a.m. Beijing time as the exchange rate to be used on that business day between Baht and US$ for transaction settlement purpose between CUP and the Group. At the same time CUP provides an additional 0.5% discount to the Group on such daily rate used by CUP for settlement so as to minimize the impact of the foreign exchange fluctuations on the Group. The resulting foreign exchange rate discount income is subject to tax in Thailand and the Group's foreign exchange rate discount income arising from the card acceptance business is accounted as taxable income on the relevant Thai tax return. The Group is required to file the tax return to the relevant Thai authority within 150 days after the end of the preceding financial year end (i.e. 31 March). The Company's Thai legal advisers, Somphob Tax and Law Office Ltd., confirm that the discount offered by CUP to the Group does not contravene the foreign exchange laws of Thailand. The Thai government has imposed certain foreign capital inflows controls since December 2006 by creating a disparity in the Baht's exchange rate, with the Baht trading at a much stronger level outside the country ("offshore market") than inside ("onshore market"). The Reuters quoted exchange rate adopted by CUP between Baht and US$ would make reference to the offshore market if the relevant transaction took place on a non-business day in Thailand. In June 2008, CUP introduced Bloomberg to back up the rate quoted resource of Reuters system. The intention was to protect CUP against the risk where the Reuters system was not available for some system-related or unexpected reasons. The rates from Bloomberg platform are nearly the same as Reuters on the onshore market.

As at the Latest Practicable Date, the Group had a total of 5 staff in Thailand:

Mr. Phuri Khamphidet, whose former name was Sawaeng Khamphidet before 27 September 2000, takes the leading role for the development of the Group's CUP Card acceptance business in Thailand. He has strong experience in credit card business development and marketing with more than 14 years of experience in the merchant acquiring business in high profile financial institutions, including Citibank N.A. and Diners Club (Thailand) Co., Ltd.. Mr. Khamphidet obtained a bachelor degree in political science from Ramkhamhaeng University in Thailand in 1988.

Mr. Limpkittisin joined OCG Thailand in 2004 as its operations controller and he is in charge of the operation process for the card acceptance business of OCG Thailand. He has many years of working experience since 1990 in the credit card industry, including SCB, Standard Chartered Bank, Citibank N.A. and AIG Card (Thailand) Company Limited. He has in-depth professional knowledge in settlement, fraud analysis, chargeback, customer service, merchant service, card production and transaction processing. Mr. Limpkittisin holds a master of business administration in general management from Ramkhamhaeng University.

Mrs. Suwaree Orachan is responsible for the Group's operations support. She holds a bachelor's degree in information system from Rajamangala University of Technology.

Miss Thanatcha Menghong is responsible for the Group's operations support. She holds a bachelor's degree in accounting from Bangkok University.

Miss Theapsirin Chantara is responsible for the Group's merchant support. She was educated in Mae Fah Luang University.

Pursuant to the participation agreement in respect of POS card terminals dated 13 July 2006 as amended on 24 August 2006, SCB allows OCG Thailand to participate in the use of its SCB POS card terminals located and installed at merchants networks of SCB throughout Thailand and hence, the holders of CUP Cards can use their cards for payment of goods. There is no fixed term provided under such participation agreement. OCG Thailand has enhanced 341 of SCB's POS card terminals to be able to accept CUP Card transactions through the Group in addition to traditional VISA or Mastercard only transactions as at Latest Practicable Date.

SCB also enables OCG Thailand to expand the merchants network that can accept CUP Cards efficiently from the key tourist cities of Bangkok and Pattaya, to other major tourists cities including Phuket and Chiang Mai. As a result, the CUP Card holders would find it more convenient to use their CUP Cards when travelling in Thailand.

Due to the political instability in Thailand from August 2008 to December 2008, the Group's business was adversely affected by the drop in the number of Chinese tourists to Thailand. However, as Thailand's Constitutional Court has ordered the dissolution of the ruling party and the ban of the party's leaders from entering into politics for five years in December 2008 and with the expected aggressive promotion campaigns being launched by the Thai government to rebuild the tourist image of Thailand, the Group believes that its business in Thailand will only be affected on a short-term basis.

According to information provided by CUP, in terms of the transaction amount for debit cards, the Group processed the most CUP transactions in 2006, 2007 and 2008 in Thailand, with a CUP transaction market share of approximately 50.06%, 51.20% and 54.83% respectively. The Group has been expanding its coverage in Bangkok, Phuket, Pattaya, Chiang Mai, Chiang Rai and Koh Samui. The Group installed/upgraded 380, 381 and 470 active POS card terminals that can accept CUP Cards in Thailand for the three years ended 31 March 2009. The average transaction amount per transaction for the three years ended 31 March 2009 was approximately Baht 9,400 (equivalent to approximately HK$2,068), Baht 7,000 (equivalent to approximately HK$1,540) and Baht 6,500 (equivalent to approximately HK$1,430), respectively. As at the Latest Practicable Date, there are 471 POS card terminals installed for CUP Card acceptance business, which are all active POS card terminals installed at Thai merchants. Among those 471 POS card terminals, 130 were deployed by the Group while 341 were deployed by SCB. As at 31 March 2009 and up to the Latest Practicable Date, 341 existing POS card terminals deployed by SCB were enhanced to accept CUP Cards.

The Directors believe that CUP will be able to expand its CUP Card merchants acceptance network by leveraging on the SCB and OCG Thailand partnership, and that CUP Card holders from mainland China will find the CUP Card much more useful when travelling throughout Thailand.

The following table demonstrates the geographical coverage of the POS card terminals utilized by the Group and the ownership of these POS card terminals:

As at 31 March 2007:

Location	Number of POS card terminals owned by the Group	Number of POS card terminals owned by SCB	Total number of POS card terminals
Pattaya	14	–	14
Bangkok	70	280	350
Chiang Mai	–	6	6
Phuket	–	10	10
	84	296	380

As at 31 March 2008:

Location	Number of POS card terminals owned by the Group	Number of POS card terminals owned by SCB	Total number of POS card terminals
Pattaya	15	–	15
Bangkok	70	280	350
Chiang Mai	–	6	6
Phuket	–	10	10
	85	296	381

As at 31 March 2009:

Location	Number of POS card terminals owned by the Group	Number of mobile POS terminals owned by the Group	Number of POS card terminals owned by SCB	Total number of POS card terminals
Pattaya	19	10	–	29
Bangkok	84	9	316	409
Chiang Mai	–	1	12	13
Chiang Rai	–	3	–	3
Phuket	–	2	13	15
Koh Samui	–	1	–	1
	103	26	341	470

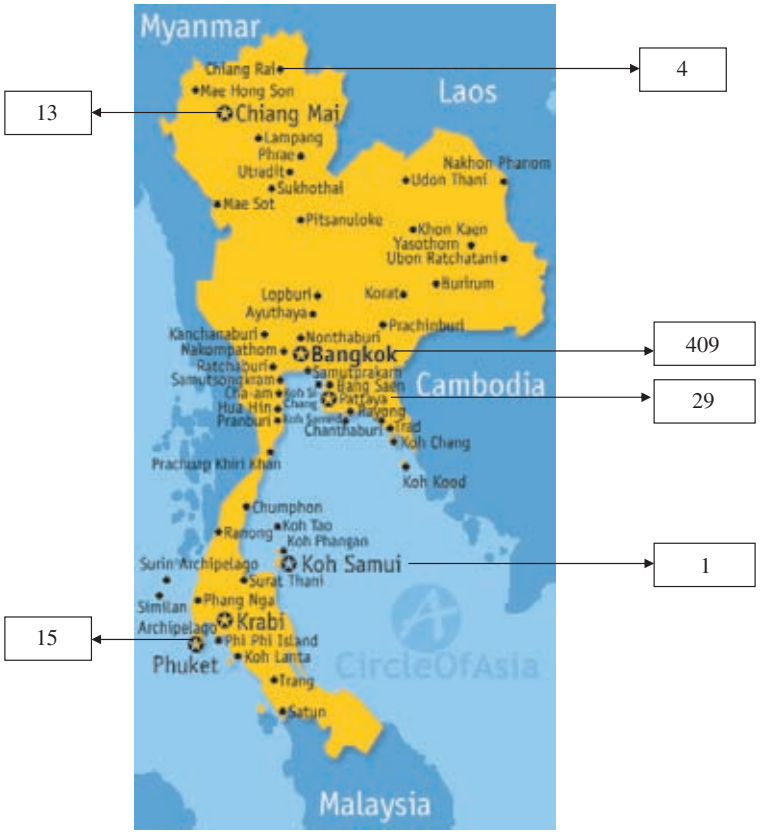
As at the Latest Practicable Date:

Location	Number of POS card terminals owned by the Group	Number of mobile POS terminals owned by the Group	Number of POS card terminals owned by SCB	Total number of POS card terminals
Pattaya	19	10	–	29
Bangkok	82	11	316	409
Chiang Mai	–	1	12	13
Chiang Rai	–	4	–	4
Phuket	–	2	13	15
Koh Samui	–	1	–	1
	101	29	341	471

The POS card terminals owned by SCB can be used to process both credit card or debit card transactions while the POS card terminals owned by the Group can only be used to process CUP card transactions.

The map below shows the geographical location and number of the POS card terminals owned by the Group or by SCB through which CUP transactions are processed:

Location and number of POS terminals owned by the Group and SCB through which CUP Transactions are processed in Thailand:



OCG Thailand's Internal Procedures for Screening Prospective Merchants

OCG Thailand has established procedures for screening prospective merchants to whom it may market the CUP Card payment services. OCG Thailand's internal merchant selection guidelines state that profitability and risk are the key considerations for acquiring new merchants and that merchants with high sales volume and large ticket sizes will normally generate high profits. However, the risk level of such categories is high so that sales executives are required to maintain a balance of profitability and risk in selection of a prospective merchant. The guidelines identify different categories of merchant, together with estimated sales volume (high, medium/high, medium and low) and risk levels (low, medium and high). Key criteria in merchant selection include:

- The relevant company must be properly registered in Thailand and maintained by a valid business licence issued by the company registry

- Merchants with a sales volume of less than Baht 100,000 per month are not recommended for selection, unless approved by the merchant business manager

- A merchant with a bad reputation in operating his business in the market should not be selected

- A merchant located in a very remote area making provision of after-sales service difficult

- For merchant of high risk level, a physical inspection of the business premises must first be conducted before entering into further discussion

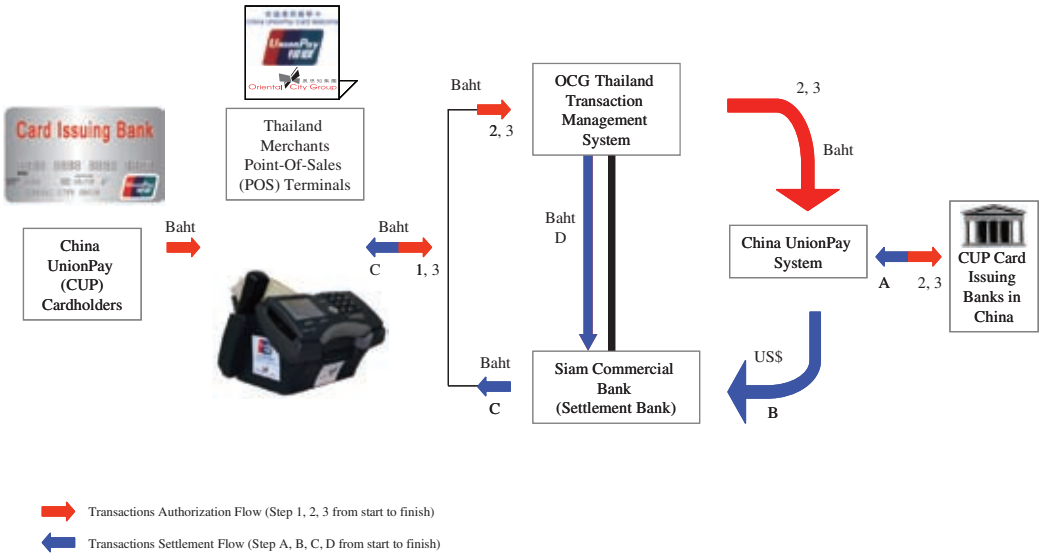
Sales executives must fill out a merchant investigation form to ensure that the merchant sells goods/provides services as stated and has the required facility, staffing, appropriate inventory and licence to conduct his business.

The merchant business manager must make a site visit to the business premises before entering into any agreement. For any merchant fulfilling the Group's criteria, the merchant business manager collects a set of relevant documents (according to OCG Thailand's document checklist from the merchant, including business registration, other corporate documents, including VAT statements, bank statements and annual reports) and proposes the discount rate to be charged to the merchant. Where a prospective merchant is considered to be of a higher risk or a low minimum monthly sales volume is predicted, a higher discount rate is proposed. The document file is passed to the operations staff of OCG Thailand, who review the file. The operations controller does a final review and, if he decides to decline the application, he will make a note on the application and pass the file back to the merchant business manager, who notifies the merchant in due course. If the operations controller approves the application, he signs on the merchant investigation form and passes the agreement to the OCG Thailand business director to sign the merchant agreement (a copy of which is forwarded to the merchant).

Upon the identification of a prospective merchant, the three scenarios are: (i) the merchant already employs SCB's POS card terminal for traditional credit card transactions; (ii) the merchant employs a POS card terminal from another bank; and (iii) the merchant does not employ any kind of POS card terminal. Some POS card terminals are deployed by SCB because those identified merchants have existing POS card terminals or a current banking relationship with SCB; and some POS card terminals are deployed by the Group, as some of those merchants do not have existing POS card terminals or a current banking relationship with SCB. As a standard SCB POS card terminal only accepts traditional credit card transactions, SCB would be responsible for updating the software in the SCB POS card terminal to accept CUP Cards if the identified merchant already has a SCB POS card terminal installed. The Group would be responsible for training the staff at the relevant merchant to operate the POS card terminal according to CUP's standard procedures.

BUSINESS

The operation flow of the card acceptance business



The transaction authorization flow of the card acceptance business

(1)		(2)		(3)
CUP Card holders use their CUP Cards for transactions at merchants in Thailand – via the POS card terminals installed by OCG Thailand *(Note)*	➤	The transaction requests are sent to CUP Card issuing banks in the PRC for authorization – via the Transaction Management System of OCG Thailand and CUP systems in the PRC	➤	The authorization decisions are then sent to the POS card terminals via CUP's systems and OCG Thailand's system *(Note)*

Note:

For transactions carried out through SCB's POS card terminals, transactions requesting/authorization decision are routed through SCB's NAC network connected with OCG Thailand's transaction management system.

The transaction settlement flow of the card acceptance business

A	B	C	D
CUP is responsible for collection of money from respective cardholders through CUP Card issuing Banks in the PRC.	Within one business day (the "settlement date") from the transaction date, OCG Thailand collects the net settlement funds (transaction amount less information network cost and licence fee cost charged by CUP) in US$ from CUP. The net settlement funds are directly deposited into a designated settlement account with SCB, the Settlement Bank.	Upon receipts of net settlement funds (in US$) from CUP, OCG Thailand converts the funds into Baht and makes the required payments to respective merchants based on a transactions summary report prepared from daily transactions reports from CUP and the data in the Transaction Management System, through SCB as the Settlement Bank, after deducting commission at MDR rate agreed and any withholding taxes. SCB is responsible to settle respective merchants in accordance with the instruction from OCG Thailand.	At the end of each month, based on the daily transactions reports from CUP and the data in the Transaction Management System of OCG Thailand, OCG Thailand prepares a monthly sales volume analysis to analyse all the transactions carried out through SCB's POS card terminals and settle the bank service fee to SCB for transactions processed through SCB merchants in accordance with the terms as mutually agreed.
Revenue: Not applicable Cost: Not applicable	Revenue: Not applicable Cost: Information network cost and licence fee cost	Revenue: Foreign exchange rate discount income Transaction fee income Cost: Not applicable	Revenue: Not applicable Cost: Bank service fee

Foreign exchange rate discount income

The foreign exchange rate discount income in the Group's card acceptance business is derived from the express provision under the agreement between the Group and CUP. CUP offers a guaranteed discount to the spot exchange rate of the US$ against Baht to cover the Group for the volatility of Baht between the date of the transaction and the settlement date. Set out below is a scenario analysis on the effect of different movements of the foreign exchange rate between US$ and Baht has on the Group's foreign exchange rate discount income:

	1	2	3
Scenario	No movement in the exchange rate of US$ against Baht from transaction date to settlement date.	Adverse movement in the exchange rate of US$ against Baht (US$ fell relative to Baht) from the transaction date to settlement date.	Positive movement in the exchange rate of US$ against Baht (US$ rose relative to Baht) from the transaction date to settlement date.
Result	The exchange rate on transaction date and settlement date are the same and the Group can earn the full discount of 0.5% on the transaction amount offered by CUP as foreign exchange rate discount income.	If the loss from the adverse exchange rate movement is less than the discount, the Group can earn the discount offered by CUP less the exchange loss as foreign exchange rate discount income. If the loss from the adverse exchange rate movement is more than the discount, the exchange loss is lessened by the discount offered by CUP.	The Group can earn exchange income from the positive movement in the exchange rate in addition to the full discount of 0.5% on the transaction amount offered by CUP as foreign exchange rate discount income.

Set out below is an illustrative example for further analysis of the revenue and cost of service rendered in an actual transaction carried out on one of SCB's POS card terminals with the relevant data extracted from the Group's transaction reports and bank advice. Please note that the example set out below is only for illustrative purposes and there is no assurance that all transactions in relation to the Group's card acceptance, either in the past or in the future, would generate the same results:

– *Data extracted from respective transaction reports or bank advice*

Transaction date: 2 March 2009

Settlement date: 3 March 2009

Currency exchange rate at transaction date offered by CUP:	**Currency exchange rate at transaction date offered by SCB:**	**Currency exchange rate at settlement date offered by SCB:**
US$1=Baht 35.95 (about 0.5% discount to the currency exchange rate at transaction date offered by SCB to the right)	US$1=Baht 36.14	US$1=Baht 36.20 (a slight depreciation of Baht against US$, resulting in a foreign exchange gain before netting off the discount offered by CUP)

– *Data extracted from the respective agreements signed*

MDR rate charged against merchants:
1.8% of transaction amount

Information network cost and licence fee charged by CUP:
1.2% of transaction amount

Bank service fee to SCB:
0.3% of transaction amount for transaction conducted through SCB merchants

– *Assumptions made for illustrative purpose only*

Transaction amount by CUP Card holders:
Baht 1,000,000 (assume all transactions are came from SCB merchants)

Taxation and other indirect income/expenses:
assume to be immaterial

– *Relevant transactions conducted by the Group with above data and assumptions:*

Information network cost and licence fee cost charged by CUP:
Baht 12,000, being 1.2% of Baht 1,000,000

Net settlement fund received from CUP:
US$27,483, being (Baht 1,000,000 – Baht 12,000)/35.95

Card acceptance transaction fee income:
Baht 18,000, being Baht 1,000,000 x 1.8%

Foreign exchange discount income at conversion of Net Settlement fund into Baht:
Baht 6,871, being US$27,483 x (36.2 – 35.95)

Net Settlement fund made to merchants:
Baht 982,000, being Baht 1,000,000 – Baht 18,000

Bank service fee to SCB:
Baht 3,000, being Baht 1,000,000 x 0.3%

Based on the information set out in the above illustrative example, an analysis of the revenue and cost of service rendered is set out below:

Revenue	**Counter Parties**	**Baht**
– Card transaction fee income	Merchants	18,000
– Foreign exchange rate discount income	CUP	6,871
		24,871
Cost of service rendered		
– Information technology network and licence fee	CUP	12,000
– Bank service fee	SCB	3,000
		15,000
Gross profit on the illustrative example		9,871

For the year ended 31 March 2007, information technology network and licence fees paid to CUP amounted to HK$1,177,411 and bank service fees paid to SCB amounted to HK$48,840. For the year ended 31 March 2008, information technology network and licence fees paid to CUP amounted to HK$3,572,137 and bank service fees paid to SCB amounted to HK$314,248. For the year ended 31 March 2009, information technology network and licence fees paid to CUP amounted to HK$4,601,557 and bank service fees to SCB amounted to HK$501,128.

Co-branded card partnership business

The Group initiated the launch of the first lifestyle golf payment card issued by the Group's partner, BOCOM's Hainan provincial branch in the PRC, namely "The Pacific-OCG Golf Card" in July 2005. BOCOM is one of the largest commercial banks in the PRC in term of assets and Hainan province is reputed to be the PRC's resort areas with a dozen golf courses. The Pacific-OCG Golf Card, a debit card officially issued on 28 July 2005 for The Pacific-OCG Golf Card members, has a translucent design. The Group aims to serve the fast expanding high and middle income groups with high consumption power in the affluent golfing segment which was evolved under the rapid economic development in the PRC. The Group intends, through the Pacific-OCG Golf Card, to reflect customers' personality and their lifestyles.

In addition to all banking benefits provided by BOCOM for regular payment cards, The Pacific-OCG Golf Card offers a wide range of golfing-related benefits to its card members in Hainan, such as privileged and discount products and services and the cash coupons of various lifestyle-related establishments mostly located in Hainan. Such benefits are updated on an outgoing basis and marketing brochures published from time to time during the year reflect the latest privileges and benefits.

The PRC legal advisers of the Company advised that cash coupons are subject to restrictions under the PRC laws, and in general, if those cash coupons are to replace RMB (the lawful currency in China) and being circulated in the markets, it may constitute a violation of the Laws of People's Republic of China for People's Bank of China (中華人民共和國中國人民銀行法), and the entities or individuals that issue the coupons are liable to a penalty of up to RMB200,000 (equivalent to approximately HK$228,000) according to Article 45 of the Laws of People's Republic of China for People's Bank of China (which is imposed on the coupons issuers on a per incident basis); however, the Directors have confirmed that: (i) such cash coupons are offered and issued by merchants as benefits to members of payment cards issued by licensed PRC banks, and OCG China issues neither the cash coupons nor payment cards; and (ii) such cash coupons are not intended to, and in reality, cannot replace RMB or be circulated in the markets but are just benefits offered by merchants to limited card members for designated purposes. Based on such confirmations, the PRC legal advisers of the Company consider that the possibility that the issuance of such cash coupons may be deemed by the relevant authority to constitute a violation by OCG China of PRC laws is not significant, and that the possibility that OCG China is to be held liable for such non-compliance is insignificant. Furthermore, each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has given an indemnity in favour of the Group in respect of any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the offering or issuance of the cash coupons by merchants as benefits to members of payment cards co-branded by the Group including The Pacific-OCG Golf Cards. The Directors estimate that the maximum exposure to the Group covered under this indemnity is RMB200,000 (equivalent to approximately HK$228,000).

According to information provided by BOCOM's Hainan provincial branch, since the first launch of The Pacific-OCG Golf Cards, the number of The Pacific-OCG Golf Card members has increased significantly within a short period of time, which the Directors believe marks The Pacific-OCG Golf Card to be one of the most successful lifestyle payment cards of BOCOM's Hainan provincial branch. During the first half year after the launch of The Pacific-OCG Golf Card, the number of holders of The Pacific-OCG Golf Card reached 20,000. Currently, holders of The Pacific-OCG Golf Card can enjoy golf club benefits provided by OCG China within Hainan province only but the card can be used as a common debit card in other provinces of the PRC. The Group, with the advantage of its experience, will endeavour to extend its co-branded card partnership business to other cities in the PRC, whilst at the same time concentrating on increasing the card spending and customer loyalty of the existing card members.

The Directors estimate that the percentage of card members, lifestyle related establishments and revenue attributable to Hainan province are approximately 100%, 95% and 100% respectively. All holders of the Pacific-OCG Golf Card must have a bank account maintained with BOCOM's Hainan provincial branch, without which a Pacific-OCG Golf card will not be issued. Therefore, all issued cards are considered to be valid, including those that do not have any transactions. The Pacific-OCG Golf Card, which the cardholders choose to apply for, can be used in the PRC and

other countries or territories where CUP Card acceptance POS and relevant payment infrastructure have been established, e.g. Hong Kong, Macau, Thailand and some other international countries and territories. The Pacific-OCG Golf Card is only issued to PRC residents. BOCOM had issued 30,640, 43,972 and 47,765 Pacific-OCG Golf Cards as at 31 March 2007, 31 March 2008, and 31 March 2009 respectively. As at 31 March 2009, 4,187 cards had been cancelled. As at 30 June 2009, BOCOM had issued approximately 48,000 Pacific-OCG Golf Cards. The Directors believe that there are no overlapping countries, regions and target and existing customer groups between the Group's business and that of the Controlling Shareholder Group.

During the period from the commencement of the Group's co-branded card partnership business with BOCOM's Hainan provincial branch up to 24 February 2007, OCG China and BOCOM's Hainan provincial branch were respectively entitled to share 70% and 30% of the total income generated from the annual card fee and the transaction fee. From 24 February 2007 to 23 February 2008, the entitlement changed to 60% and 40% respectively. Pursuant to the new agreement entered into between BOCOM's Hainan provincial branch and OCG China dated 15 February 2008, which is for a term of three (3) years commencing from 25 February 2008 and ending on 24 February 2011, OCG China and BOCOM's Hainan provincial branch agreed to cooperate in launching The Pacific-OCG Golf Cards. Pursuant to this subsequent agreement, OCG China and BOCOM's Hainan provincial branch are respectively entitled to share 60% and 40% of the total income generated from the annual card fee and the transaction fee relating to use of the Pacific-OCG Golf Card. The basis of such transaction fee was determined by BOCOM. OCG China is responsible for the marketing, card member acquisition, merchants relationship, exploiting and expanding the marketing of The Pacific-OCG Golf Cards and for increasing card spending and customer loyalty, whilst BOCOM's Hainan provincial branch is responsible for operation, card issuance, customer service and assisting OCG China in expanding The Pacific-OCG Golf Cards market throughout the PRC.

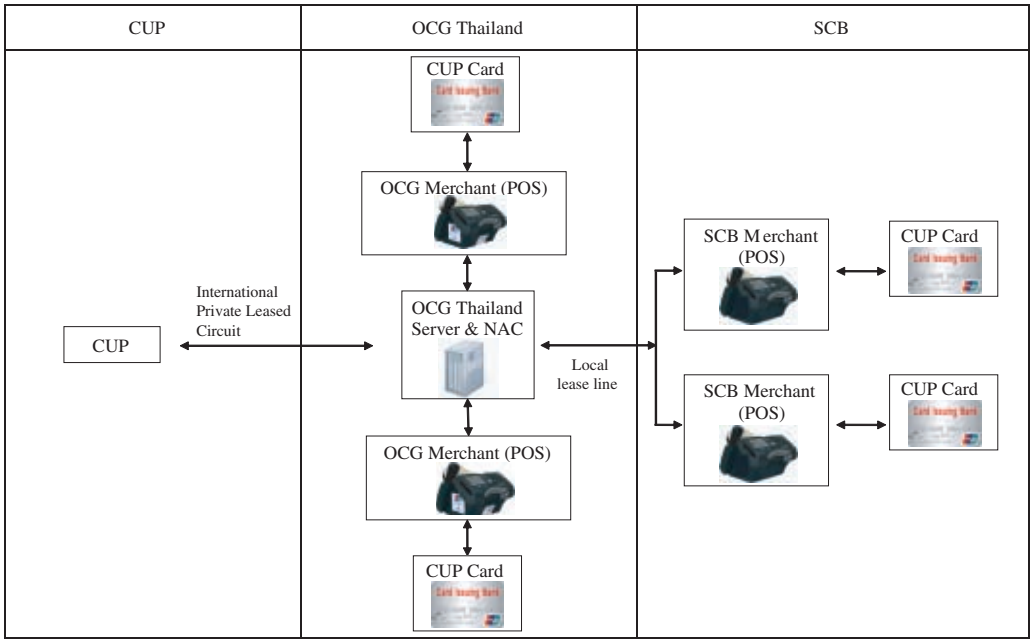
The Pacific-OCG Golf Card members have to pay up-front for the first year annual fee when they make their initial deposit of funds into the debit card bank account with BOCOM's Hainan provincial branch. When Golf Card holders use the Golf Card for transactions, an average of approximately 0.32% of the transaction value will be charged by BOCOM's Hainan provincial branch on the merchants per transaction during the Track Record Period. BOCOM's Hainan provincial branch will settle the entitled portion of income to OCG China's bank account on a quarterly basis in arrear.

The annual fee of The Pacific-OCG Golf Card is RMB10 per card and is payable upon card issuance and annually thereafter. There is no policy for waiving the annual fee and no annual fee was waived during the Active Business Pursuits Period. The annual fee will be charged upon the cardholder depositing money into his/her savings account. The Group's revenue is recognized when the card is being renewed annually and the annual fee is received by the partnership bank, as no refund is allowed. Besides, there is no minimum cash balance required to be maintained and no supplementary card will be issued.

OPERATION SYSTEM

In Thailand, the Group installs its POS card terminals at merchants and connects selected POS card terminals of SCB at targeted merchants where there are heavy traffic of Chinese tourists. All POS card terminals are connected to the NAC server located at the office of OCG Thailand through local phone lines, and the NAC server is connected to CUP through an international lease line. POS card terminals of both parties are sourced from local suppliers, while the NAC server and its software is developed and maintained by Zeta. The servicing agreement with Zeta covers the system which includes both the hardware and software systems. The complete servicing package costs include hardware and software systems. The software system is the proprietary system developed and maintained by Zeta and there is no additional licensing fee involved. The Group relies on the operation system fully to conduct its business, and the Group is currently evaluating other operation systems and suppliers for alternative or back up positioning and cost comparison. All transaction data is maintained by CUP.

Transaction Processing Flow



When a CUP Card holder from China uses his or her card to make a payment at a Thai merchant, the CUP Card transaction authorization request will be sent from the POS card terminal located at the Thai merchant to the transaction system located at OCG Thailand, then from OCG Thailand to CUP. The authorization request will either be approved or declined from CUP, then the authorization result will be sent back to the POS card terminal through OCG Thailand. If the transaction is approved and duly takes place, the transacted amount will be deposited into the merchants' bank account, on a net-of-charge basis by the Group at SCB on the following business day. A daily transaction report is sent on the business day after the transaction and is matched with the previous day's transaction reported and stored on OCG Thailand's server. Please also refer to the diagram headed "The operation flow of the card acceptance business" on page 124 for further information.

By working with SCB, OCG Thailand is seeking to expand its CUP merchants coverage much more efficiently and quickly by capitalizing SCB's existing merchants network.

OCG Thailand utilizes a private security room for the NAC server with backup leased lines for emergencies such as in the event of communication failure. In addition, the CUP reports and data are also kept in the security room which requires access card for entry. The Group has set passwords to prevent unauthorized access to confidential documents and customer data. Access to the passwords and information may only be authorized by OCG Thailand's senior management only.

The Group's email server adopts normal email back-up procedures to back up email data on a regular basis. Other electronic files are backed up in compact discs by the staff in OCG China on a regular basis. There is no other system and software other than the office suite and email system being used by OCG China in the daily operations. The Group backs up its email data and electronic files on a weekly basis.

In the PRC, the operating system of the co-branded card partnership business is supported and managed by BOCOM's Hainan provincial branch, but the Group has intellectual property rights associated with all office systems being used. There is no operation system for the co-branded card partnership business from the Group's perspective as the Group's role is to jointly launch the debit cards with BOCOM's Hainan provincial branch. Any subsequent transactions carried out on these cards are processed by BOCOM and its business associates and the Group does not have any involvement in these transactions. The Group's PRC staff will review the performance management report with BOCOM on regularly.

The Group has adopted the following security measures to manage confidential information:

(i) password protection for accessing to confidential information;

(ii) physical access restriction – only the Group's senior management can access the password and confidential information;

(iii) internal use of data only – all confidential documents are unavailable to external parties;

(iv) computing systems involved in confidential documents/data storage are locked by password in conjunction with blockage in the use of removable media (e.g. floppy drive, flash media & network transferring);

(v) a hardware firewall has been set up over the Internet and anti-virus software is installed on each computer; and

(vi) files are regularly backed up.

The Group used similar security measures for OCG Thailand and OCG China, but the computer system of OCG Thailand required OCG staff to monitor and retrieve data regularly.

The Directors confirm that there has not been any incident of leakage of customer data by the Group during the Active Business Pursuits Period.

SALES AND MARKETING

Sales and marketing team

The Group had a sales and marketing team of 4 members as at the Latest Practicable Date. Most of the card member acquisition (exercise to acquire new card members) marketing drives and programs in Hainan Province have been outsourced to part-time sales executives who are under the supervision of the Group's senior sales executives. The part-time sales executives are not employees of the Group. The senior sales executives manage the part-time sales executives by coaching, joint sales calls, performance monitoring and performance measurement. The key difference is that senior sales executives focus on corporate customers while the part-time sales executives focus on individual customers. For the part-time sales executives, they are not under the pay-roll of OCG China. They would receive a minimum of RMB10 per successful application and no other benefits are provided to these part-time sales executives. The total number of the Group's sales and marketing staff does not include part-time sales executives. For the three years ended 31 March 2009, the amounts paid to the part-time sales executives located in Hainan Province, the PRC were approximately RMB15,000, RMB129,000 and Nil respectively.

For the co-branded card partnership business, the pricing policy of annual and transaction fee is based on the then prevailing competitive market rate. BOCOM charges MDR of approximately 0.32% on average to merchants per transaction during the Track Record Period, and the Group shares 70% and 60% of the total annual and transaction fee income with BOCOM for the period up to January 2007 and since February 2007, respectively. The income derived from the co-branded card partnership business primarily consists of annual fee and transaction fee income from partnership bank. For the year ended 31 March 2008, the annual fee and transaction fee income from the Group's co-branded partnership business amounted to HK$86,087 and HK$46,308 respectively. For the year ended 31 March 2009, the annual fee and transaction fee income from the Group's co-branded partnership business amounted to approximately HK$74,307 and HK$24,856 respectively.

In relation to the Group's operations in Thailand, the Group's sales executives are generally responsible for the CUP sales initiation and customer services. The Group's sales executives are required to visit various merchants (i.e. the Group's customers) in Thailand to keep abreast of the customers' demands and market trends. The Group's income derived from the card acceptance business primarily consists of transaction fee income from merchants and foreign exchange rate discount income. In respect of the Group's card acceptance business, the pricing policy of MDR charged to Thai merchants is based on the then prevailing competitive market rate. OCG Thailand charged an average range from 1.25% to 2.5% per transaction on each successful transaction during Track Record Period. In its card acceptance business, the Group provides (i) the POS card terminals for the merchants and/or upgrades existing POS card terminals and (ii) the real time link between POS card terminals and CUP where by CUP connects to the card issuer of the CUP Card holder making the purchase. If at any time a communication failure arises, the transaction would not be completed. Under such circumstances, the Group does not bear any responsibility in respect of the failed transaction.

Transaction fee income from the Group's card acceptance business increased to HK$4,430,024 for the year ended 31 March 2008 from HK$1,380,504 for the year ended 31 March 2007, representing a growth of approximately 221% as compared with the last corresponding year. Transaction fee income from the Group's card acceptance business increased to approximately HK$5,838,660 for the year ended 31 March 2009 from approximately HK$4,430,024 for the year ended 31 March 2008, representing a growth of approximately 32% as compared with the last corresponding year. The foreign exchange rate discount income from the Group's card acceptance business increased to HK$2,717,678 for the year ended 31 March 2008 from HK$296,992 for the year ended 31 March 2007, representing a growth of approximately 815% as compared with the last corresponding year. The foreign exchange rate discount income from the Group's card acceptance business decreased to approximately HK$1,869,622 for the year ended 31 March 2009 from approximately HK$2,717,678 for the year ended 31 March 2008, representing a decrease of approximately 31% as compared with the last corresponding year.

CUP sponsorship fees represent other income received from CUP for marketing and promoting the CUP Card acceptance business. It is not a recurrent income to the Group. The Directors believe that CUP selectively provides sponsorship fees to business partners where CUP believes they would help to promote CUP Card acceptance and payment services effectively. The basis of sponsorship fee is subject to CUP's discretion.

Customers

The Group's principal customers are the various merchants in Thailand (for card acceptance business), CUP (for foreign exchange rate discount income) and BOCOM's Hainan provincial branch (for the issue of co-branded cards) in the PRC. For the three years ended 31 March 2009, the Group had 52, 53 and 74 customers respectively. The number of customers increased for the three years ended 31 March 2009 mainly due to more Thai merchants installing the Group's POS card terminals and as a result of the Group's partnership with SCB.

For the three years ended 31 March 2009, the five largest customers of the group accounted for approximately 65%, 82% and 80% of the Group's turnover respectively. For the two years ended 31 March 2007 and 2008, the single largest customer of the Group was CUP, which accounted for approximately 16% and 37% of the Group's turnover respectively. For the year ended 31 March 2009, the single largest customer of the Group was King Power which accounted for approximately 37% of the Group's turnover. King Power, an Independent Third Party, operates duty free shops located at King Power Complex Mall in downtown Bangkok and duty free and tax free shops at the major international airports in Thailand. In addition, its advertising department also runs the light box advertisement business in all passenger terminals throughout Bangkok and Phuket International Airports.

There is no separate agreement between King Power and the Group. The Group has only a signed participation agreement in respect of electronic data capture machine with SCB and SCB has agreed and accepted OCG Thailand to participate in the use of SCB's POS card terminals located and installed at King Power's stores and shops in Thailand such that any holders of CUP Cards may use CUP Cards for payment of goods and services at King Power. There is no fixed term provided

under such participation agreement. For the three years ended 31 March 2009, the Group collected the settlement funds from CUP after deducting information network cost and licence fee cost within one business day from the transactions and settled within 30 days with the relevant merchant shops and SCB after deducting commission income earned. SCB is the Group's business partner and is the Group's settlement bank for the card acceptance business of the Group. SCB also provides settlement bank services with CUP Card acceptance.

The debtors turnover days for the co-branded card partnership business for the three years ended 31 March 2009 were approximately 107, 94 and 90 days respectively which approached the credit period that the Group granted. The fluctuation of debtors turnovers days was due to the fact that the income pattern of the co-branded card partnership business is not evenly distributed during the Track Record Period. All trade debts for co-branded card partnership business are with outstanding ages of less than 90 days.

The Group, in accordance with relevant agreements signed, allows a credit period of up to 90 days to its trade debtors and the trade debtors usually settle the outstanding balance with 90 days from the billing date.

The major customers of the Group play a significant role in the business of the Group. In the event that any of these major customers cease to continue their relationship with the Group, the Group's business and financial position may be materially and adversely affected. As at the Latest Practicable Date, none of the Directors, their respective associates or any shareholders of the Company who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital had any interest in any of the five largest customers of the Group.

Payment terms and credit control

The income pattern of the co-branded card partnership business is not evenly distributed. The Group normally collects the outstanding receivable from the partnership bank on a quarterly basis. The Group's turnover is generally denominated in US$, Baht and RMB and invoices are settled in US$, Baht and RMB by way of direct deposit into the Group's accounts or deduction of funds transfer.

CUP and BOCOM's Hainan provincial branch are the only two debtors of the Group. The credit policies of the Group in respect of the different services paying by CUP and BOCOM are summarised as follows:

Services	Credit policy	Paying party
Card acceptance business	daily basis	CUP
Co-branded card partnership business	quarterly basis	BOCOM's Hainan provincial branch (card issuer)

The credit policies of the Group for the top five customers during the Track Record Period are summarized as follows:

For the year ended 31 March 2007

Name of the customers	**Terms offered**
China Unionpay	Daily basis
King Power	Daily basis
T.A. Bangkok	Daily basis
Singkawan	Daily basis
Bank of Communications	Quarterly basis

For the year ended 31 March 2008

Name of the customers	**Terms offered**
China Unionpay	Daily basis
King Power	Daily basis
T.A. Bangkok	Daily basis
Singkawan	Daily basis
A.K. Bangkok	Daily basis

For the year ended 31 March 2009

Name of the customers	**Terms offered**
King Power	Daily basis
China Unionpay	Daily basis
T.A. Bangkok	Daily basis
SG center	Daily basis
Singkawan	Daily basis

For the three years ended 31 March 2009, as all the Group's trade debtors settled in accordance with the credit terms granted and all the outstanding balances as at 31 March 2007, 31 March 2008 and 31 March 2009 have been fully settled subsequently, the Group did not make any provisions for bad debt accounts during the Track Record Period.

Suppliers

The Group's suppliers primarily comprise transaction service providers. The services provided by the transaction service providers include (i) provision of information technology networks for the transactions, and (ii) provision of network security. The Group operates the card acceptance business and the transaction service providers offer network support services to the Group for the operation. The network support services have been independently tested by the Group's transaction service provider

with satisfactory results upon completion of the installation. Since the CUP system is a real time transaction system, if errors or failures occur during a transaction, the transaction will be rejected and no approval will be provided. The transaction will thus become invalid and the Group will not incur any liability. Further, CUP is responsible for the approval process and therefore the Group is not liable for any failure or error in the transaction approval process.

The largest supplier for each of the three years ended 31 March 2009 is the same entity which provided network support services to the Group.

	Year ended 31 March				
	2007	**2008**	**2009**	**Service provided**	**Credit period**
	HK$	*HK$*	*HK$*		
Name of supplier					
China Unionpay	1,177,411	3,572,137	4,601,557	Information network cost and licence fee cost of card acceptance business	Daily basis
SCB[1]	48,840	314,248	501,128	Sharing of card transaction fee income of card acceptance business	Monthly basis
Total	**1,226,251**	**3,886,385**	**5,102,685**		

Note 1: SCB is the Group's business partner and it is a settlement bank of the card acceptance business of the Group. SCB also provides settlement bank services with CUP Card acceptance.

For the three years ended 31 March 2009, the Group settled with CUP and SCB in accordance with the relevant credit periods granted.

The largest supplier for each of the three years ended 31 March 2009 accounted for approximately 95%, 92% and 90% of the Group's cost of services rendered during those period respectively. The Group's two largest suppliers for each of the three years ended 31 March 2009 accounted for 100% of the Group's network support costs during those periods. The information network cost and licence fee cost of the card acceptance business have been deducted by CUP before it makes the payment of settlement funds to the Group. As the Group is engaged in card acceptance business and co-branded card partnership business, the trade payables balances reported in the combined balance sheets mainly represented funds to be settled with merchant shops while the cost of services rendered mainly represented network support costs mentioned above. Accordingly, the creditors turnover day was not applicable to the Group for the three years ended 31 March 2009.

All the outstanding balances of trade creditors as at 31 March 2007, 31 March 2008 and 31 March 2009 have been fully settled subsequently.

As at the Latest Practicable Date, none of the Directors, their associates or any shareholders of the Company (who to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest suppliers.

Marketing Strategy

With respect to the co-branded card partnership business, the Group advertises and promotes its products by emphasising their benefits, such as privileged and discount products and services and the cash coupons of various lifestyle related establishments. The Directors believe that each product may have its own product cycle, which consists of three periods comprising the investment period, the growth period and the maturity period. However, the Directors believe that the primary strategy for the Group is first to understand the customers' needs. As such, the Group continues to develop its products from time to time in order to maintain the level of satisfaction of its customers. More lifestyle payment cards are in the process of planning for launch in the PRC in 2009, which include the "Health and Beauty Card", the "Family Card", the "Entertainment Card" and the "Auto Card". The Group has approached China Merchants Bank with a view to cooperating on the issuance of "Health & Beauty Card", and Shanghai Pudong Development Bank and Shenzhen Development Bank on the issuance of other lifestyle cards. However, no official agreement has been reached and signed and no concrete marketing plan has been developed as at the Latest Practicable Date.

The following table demonstrates the nature and characteristics of particular lifestyle cards being planned by the Group:

Family Card:	–	Target to issue the Family Card to young families with children under the age of 12.
	–	Family Card members can enjoy the comprehensive family-related platform benefits, i.e., family insurance, family travel, family medical services, family magazines, family websites, amusement parks, basic training and learning lessons with education entities etc.
	–	Family Card members not only can enjoy their local family benefits, and they can also enjoy the Family Card benefits being developed by the Group in different parts of the PRC and different countries of Asia.
Health and Beauty Card:	–	Target to issue the Health and Beauty Card to female aged between 20 and 50.
	–	Health and Beauty Card members can enjoy comprehensive health and beauty related platform benefits, i.e., hair salon, fitness clubs, body-slimming and diet services, lady magazines and web-sites, health insurance, spa and nail services, etc.

– Health and Beauty Card members not only can enjoy their local health and beauty benefits, and they can also enjoy the health and beauty card benefits being developed by the Group in different parts of the PRC and different countries of Asia.

Entertainment Card:

– Target to issue the Entertainment Card to frequent gaming and food and beverage conscious customers.

– Entertainment Card members can enjoy comprehensive entertainment platform benefits, including travel, hotel, gaming facilities, travel and entertainment magazines and web sites, special privileges and exclusive benefits to gaming and food and beverage outlets.

– Entertainment Card members not only can enjoy their local entertainment benefits, and they can also enjoy the Entertainment Card benefits being developed by the Group in different parts of the PRC and different countries of Asia.

Auto Card:

– Target to issue the Auto Card to car owners and drivers.

– Auto Card members can enjoy comprehensive auto platform benefits, i.e., auto down and regular payment, auto insurance, gasoline benefits, auto magazines and web sites, auto racing events, auto shopping-related travel.

– Auto Card members not only can enjoy their local auto-related benefits, and they can also enjoy the Auto Card benefits being developed by the Group in different parts of the PRC and different countries of Asia.

As at the Latest Practicable Date, the Group has not issued any Family Cards, Health and Beauty Cards, Entertainment Cards or Auto Cards. As indicated above, such lifestyle cards are still at the planning stage.

For the card acceptance business, the Group's employees are required to visit various merchants in Thailand that have been identified during the Group's internal screening process to promote the Group's CUP Card services.

Seasonality

The Group experiences seasonal fluctuations in its revenue from the card acceptance business in Thailand. The Group generally records higher sales revenue in the period between December and February, while it maintains stable revenues for the rest of the financial year. The Directors believe that the increase in revenue during the period between December and February was mainly due to increase in the number of Chinese tourists during Christmas and Lunar New Year holidays. The Directors believe that the strong CUP Card transactions volume in Thailand in February is primarily due to Chinese tourists visiting Thailand during the Chinese Lunar New Year holidays, while the strong CUP Card transactions volume in December is primarily due to overseas travel by Chinese tourists who are on average more affluent than mass CUP Card holders and prefer to take their holidays earlier to avoid tourist traffic. Due to the political instability in Thailand from August 2008 to December 2008, the Group's business was adversely affected, particularly in December 2008, by the drop in the number of tourists. However, there was a recovery in sales revenue, particularly in February 2009 due to the increase in number of Chinese tourists visiting Thailand during the Chinese Lunar New Year period.

PROPERTY INTERESTS

As at the Latest Practicable Date, the Group did not own any property but has leased 3 properties in Hong Kong, the PRC and Thailand respectively with a total floor area of approximately 216.77 sq.m., the details of which are summarized as follows:–

Leased Properties

	Address	Location	Landlord/ Head Lessee	Approximate Floor Area (sq.m.)	Term of Lease	Main business carried out by the Group in the location
1.	505, 5/F, Nan Fung Tower	Hong Kong	Kwok Chi Kwong and Chow Yiu Wah Joseph trading as JYC & Co.	120.77	1 January 2009 to 31 August 2009	Office
2.	Portion of Level 1, TST Tower	Bangkok, Thailand	DNAL Company Limited	16.00	9 Feb 2007 to 8 Feb 2010	Office
3.	Portion of business hall on Level 2, Yintong International Center	Haikou Shi, Hainan Province, The PRC	BOCOM's Hainan provincial branch	80.00	25 February 2008 to 24 February 2011	Sales office

Each of the landlords of the leased properties of the Group in Thailand and the PRC is the legal owner of the relevant property. JYC & Co. is not the owner but is the head lessee of the leased property in Hong Kong. As the term of each of the head lease and the sub-lease of the leased property

of the Group in Hong Kong is not more than 3 years, registration is not required under the laws of Hong Kong. JYC & Co., the head lessee of the Hong Kong leased property of the Group, is the tax consultant of Mr. Yu. The landlord has verbally indicated to the head lessee that it did not object to the sub-tenancy, although the landlord refuses to give any written consent. In any event, since the sub-tenancy will expire on 31 August 2009, the Group has entered into a letter agreement with Silver Net Limited, an Independent Third Party, on 14 August 2009 pursuant to which Silver Net Limited has agreed to lease the premises at 16th Floor, Queen's Road Centre, 152 Queen's Road Central, Hong Kong to the Group for a term of 2 years commencing from 1 September 2009 to 31 August 2011. If the landlord chooses to object to the sub-tenancy, the landlord may apply to obtain vacant possession of the premises by instituting legal proceedings but this will take at least 2 to 3 months before the court can make an order, which will be after the expiry of the sub-tenancy. The Company therefore believes that the landlord will unlikely take any action to recover possession even if it does object to the sub-tenancy and that if it finally decides to take such action, the Company will have already moved out of the premises by the time a court order for vacant possession is obtained. As the Company is moving out of the premises anyway, there is no extra relocation costs that will be incurred in connection with the landlord recovering possession of the premises.

As advised by the Company's legal advisers in Thailand, as the tenancy agreement in respect of the leased property of the Group in Thailand is for a term of 3 years, it is not required to be registered under Thai law. As advised by the Company's legal advisers in the PRC, although the lease arrangement in respect of the leased property of the Group in the PRC under the co-operative agreement has not been registered, it will not affect its validity and enforceability. In addition, each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has given an indemnity in favour of the Group in respect of the non-registration of the co-operative agreement, details of which are set out in the paragraph headed "Tax and other indemnities" under the section headed "Other information" in Appendix V to this prospectus. Based on the Directors' assessment, the estimated maximum exposure to the Group covered under this indemnity is the estimated relocation cost of approximately RMB5,000 (equivalent to approximately HK$5,700) in the event that the Group is required to relocate its PRC office to alternative premises. According to the Regulations on the Administration of Leases of Real Property in Haikou City (海口市房屋租賃管理辦法), OCG China may be subject to a penalty up to 200% of the rental for the non-registration of lease. Based on the above, there would be no penalty on the non-registration of the PRC lease as no monetary transaction in respect of the PRC lease has taken place. The lease of the PRC property has not been registered because the lease is free of charge. The PRC property is not crucial to the Group because it is not expected to be difficult to identify alternative premises for the Group's PRC operations. The Directors consider that despite the fact that the lease of the PRC property has not been registered, there is no material operation and financial impact on the Group as a result of that. Regarding to the compliance of GEM Listing Rule 11.19, BOCOM's Hainan provincial branch, the landlord of the leased property of the Group in the PRC, has confirmed to the Company that it has obtained the relevant long-term certificate.

COMPETITION

The Group faces strong competition in all of its principal areas of business. With respect to the co-branded card partnership business, the Group currently competes primarily with the Big Four Banks and joint stock commercial banks in the PRC as well as the international credit card companies and

smaller companies which seek to cooperate with PRC banks in co-branding payment cards. The Big Four Banks generally have very large capital bases and wider distribution networks within the PRC. They capitalise on their distribution network to expand their card issuance business in the PRC, and have launched golf-related credit cards (for example, the BOC Platinum Golf and the 1872 Peony Credit Card, a co-branded card issued by ICBC) and the international credit card company VISA provides discounted services to its credit customers at selected golf clubs in Hainan Province. The joint stock commercial banks have also been looking to expand their credit card businesses with a focus on sports and lifestyle-related cards (for example, prior to the 2008 Olympic Games BOCOM and HSBC jointly launched a dual currency Pacific Liu Xiang VISA credit card). More recently, it was announced on 26 March 2009 that China Minsheng Bank was cooperating with Air China in launching a co-branded credit card, which would include airport VIP service and golf privileges in its worldwide services (China Minsheng Bank has also issued a co-branded golf card with Mastercard relating to a golf resort in Shanghai). Moreover, such banks have huge marketing budgets to promote their new credit cards.

According to the confirmation issued by the Hainan Golf Association on 22 June 2009, the Pacific-OCG Golf Card was the only golf card issued in Hainan Province. There are two lifestyle debit cards issued by BOCOM in Hainan Province, one is BOCOM Pacific Le Sen Card (太平洋樂森咭) issued in partnership with a third party not related to the Group and the other being The Pacific-OCG Golf Card launched jointly with OCG China. The Pacific-OCG Golf Card provides merchant offers covering the needs of golfers from golf club access, tea time, accommodation, equipment and insurance. BOCOM Pacific Le Sen Card, was targeted at the young working consumers segment and provided shopping discounts at certain merchant outlets and shopping malls. The card was suspended in June 2007 with only 200 cards issued.

For the Group's card acceptance business in Thailand, the major competitors are domestic banks and banks in other countries or markets into which the Group intends to expand, where such banks have been providing the local card payment acceptance business. The strength of such competitors is their established local presence and banking partnerships with local merchants. As at the Latest Practicable Date, there were 3 CUP Card acceptance services providers in Thailand, namely Bangkok Bank Public Company Limited, Kasikorn Bank and the Group (jointly with SCB). According to CUP, OCG Thailand processed the most CUP transactions in 2006, 2007 and 2008, with a CUP transaction market share of 50.06%, 51.20% and 54.83% respectively. OCG Thailand has been expanding its coverage in Bangkok, Phuket, Pattaya and Chiang Mai. The Directors believe that the barriers of entry into this segment mainly lie in CUP's selectiveness in choosing professional business partners in the provision of CUP related services around the globe.

TAX INDEMNITY

The Group's immediate holding company, Oriental City Group Asia Limited, and two Directors, Mr. Yu and Ms. Wong Lai Chun, undertake to indemnify the Group from and against all claims, liabilities, losses, costs and expenses which the Group may suffer or incur in connection with any underpayment, non-payment or late payment of any taxation which might be payable by any member of the Group in respect of any income, profits or gains earned, accrued or received on or before the date of which the Placing becomes unconditional (the "Taxation Indemnity").

Based on the Directors' assessment, the estimated maximum exposure to the Group in respect of the Taxation Indemnity is approximately nil, as it is not practicable to assign a maximum exposure for this indemnity given that OCG China and OCG Thailand have registered tax losses of approximately RMB1.6 million (equivalent to approximately HK$1.8 million) and approximately Baht 4.5 million (equivalent to approximately HK$1.0 million) respectively as at 31 March 2009 which equates to an aggregate tax loss of approximately HK$2.8 million.

INTELLECTUAL PROPERTY RIGHTS

As at the Latest Practicable Date, the Group has registered of the trademark

in Hong Kong and applied for registration of the trademark

in Thailand, and the trademark

in the PRC, particulars of which are set out in the paragraph headed "Intellectual property rights of the Group" in Appendix V to this prospectus. Pursuant to an acknowledgement dated 1 May 2008 signed and given by OCG UK and OCG HK in favour of the Group, OCG UK and OCG HK irrevocably and unconditionally confirm and consent that, in consideration of a lump sum payment of HK$1.00, the Group shall have the right, without further payment, to use such trademarks and to register such trademarks at the respective jurisdictions. OCG UK does not use any trademarks which are currently owned by the Group.

INSURANCE

The Group maintains social insurance for the employees in the PRC and Thailand in accordance with the applicable laws of the PRC and Thailand and the requirements of the competent local authorities, of which the cost of the insurance is borne by the company and employees in a specific proportion regulated by the relevant PRC and Thailand laws. The Directors are of the view that the insurance coverage is adequate for the Group.

ENVIRONMENTAL PROTECTION

The Directors consider that the operations of the Group in China and Thailand do not cause material pollution to the environment and the potential future risks of serious environmental pollution therefore should not be significant. As a result, relevant costs of compliance with applicable environmental protection rules and regulations during the Active Business Pursuit Period and going forward were and are expected by the Company to be minimal and the Group currently does not have any plans to address potential future risk on environmental protection. The Directors have confirmed that OCG China does not carry out any manufacturing or industrial activities. Based on such confirmation, the Company's PRC legal advisers have opined that OCG China is not subject to special environmental protection laws and regulations in the PRC. According to the Company's Thai legal advisers, OCG Thailand's business activities are not subject to the relevant law, namely Promotion and Preservation of National Environmental Act and they did not find that OCG Thailand is subject to any material claims or penalties in relation to environmental protection.

LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

INTERNAL CONTROL AND CORPORATE GOVERNANCE

The Directors are responsible for the implementation of the internal control and corporate governance measures and they believe that measures implemented can ensure that the Group can carry out its business in an orderly and efficient manner. The Group's compliance function is mainly performed by the compliance officers, Mr. Yu, who has gained related hands-on experience through acting as an independent non-executive director of New World Department Store China Limited, a company listed on the Main Board of the Stock Exchange, since June 2007 Mr. Chan Chun Wai is an independent non-executive director of Hans Energy Company Limited and Wai Chun Mining Industry Group Company Limited, companies listed on the Main Board of the Stock Exchange and of Honbridge Holdings Limited, a company listed on the GEM of the Stock Exchange and China Nutrifruit Group Limited, a company listed on Over-The-Counter Bulletin Board Exchange in the United States. The Directors are of the view that Mr. Chan is well versed in the areas of internal control and corporate governance and would be able to make positive contributions to the Group in these areas by bringing his experience to the Group. The compliance officers are also responsible for monitoring the Group's internal control system from time to time to ensure that the implemented system fully satisfies the prevailing regulatory requirements. Lastly, the Company's company secretary, Mr. Sung Hak Keung, Andy, who was previously the assistant financial controller (from August 2003 to September 2006) of China Grand Forestry Green Resources Group Limited, a company listed on the Main Board of the Stock Exchange, has gained valuable experience in relation to internal control and corporate governance for listed companies.

The Group has implemented or will implement by the Listing Date the following measures to ensure that it has proper and effective internal control and corporate governance:

(a) the Group has implemented a compliance manual which sets out various guidelines and policies and establishes an appropriate level of assurance that the Group's corporate governance measures are commensurate for a listed company. The compliance manual sets out the guidance and policies on the board meeting, the board composition, the appointment, re-election and removal of directors, the directors' responsibilities and the supply of and access to information, which has adopted some of the recommended best practices as set out in Appendix 15 to the GEM Listing Rules, including the establishment of nomination committee and the maintaining on the Company's website of an updated list of its directors identifying their role and function and whether they are independent non-executive directors;

(b) the Group will engage a Hong Kong law firm on a continual basis upon the listing of the Shares on GEM to provide continued guidance to the Directors on various compliance obligations of the Group under the laws and regulations in Hong Kong;

(c) in addition to the legal advisers in Hong Kong, the Group will also retain the services of legal advisers in Thailand and the PRC upon the listing of the Shares on GEM so as to provide continual guidance on the compliance with the laws and regulations applicable to the Group in Thailand and the PRC and in particular, compliance of the Group's preference shares structure arrangements in relation to OCG Thailand;

(d) the Group has engaged SBI E2-Capital as its compliance adviser to provide continued guidance to the Directors on compliance matters and in particular compliance with the GEM Listing Rules;

(e) the Group has engaged Mazars Tax Services Limited on date of this prospectus as its tax adviser to take care of all of its tax related matters in Hong Kong with separate engagement to be agreed between Mazars Tax Services Limited and the Group for tax related matters in the PRC and Thailand. Mazars Tax Services Limited currently provides Hong Kong and China tax advice, tax compliance and tax field audit services to no less than 10 companies listed on GEM or the Main Board. Mazars Tax Services Limited is a company principally engaged in the provision of advice to corporate and individual clients on a full range of Hong Kong, China and international taxation matters;

(f) pursuant to article 113 of the Company's articles of association, the quorum necessary for Board meetings is two Directors and the quorum must comprise an independent non-executive Director or a Director who is not a director of the holding company of the Company;

(g) the Group engaged Lofty CPA Limited ("Lofty"), an independent internal control review auditor, to conduct a review of the Group's internal control over financial reporting on the areas of (i) control environment; (ii) risk assessment; (iii) control activities and (iv) information and communication. Lofty conducted the review in May 2009 and the date of the report is 22 May 2009. The detailed work done included the following: (i) to report on the control environment that is the overall attitude, awareness and actions of the internal control and emphasis placed on control in the Group's mission, integrity and ethical value; (ii) to know how the risks are identified and analysed; (iii) to report on the control activities of major key business processes by obtaining the flow chart and walk through tests; and (iv) to know how the information and communication are identified, captured, used at all levels of the Group and distributed in a form and time frame that supports the achievement of financial reporting objectives. The Directors confirm that Lofty did not identify any material internal control weakness;

(h) the Group has established (i) an audit committee, (ii) a remuneration committee and (iii) a nomination committee comprised solely of the independent non-executive Directors together with (iv) an internal control committee and (v) a compliance committee to monitor the internal control and corporate governance aspects of the Group;

(i) for the purposes of Chapter 20 of the GEM Listing Rules, and in particular the definition of "connected person", OCG Thailand will be treated as a subsidiary of the Company, but at the same time, the directors, chief executive or substantial shareholders or management shareholders of OCG Thailand, and their respective associates will be treated as "connected persons" of the Group (including OCG Thailand) and transactions between these connected persons and the Group (including OCG Thailand) shall comply with Chapter 20 of the GEM Listing Rules; and

(j) OCG Thailand has provided to the Company an undertaking that, for so long as the Shares are listed on the Stock Exchange, OCG Thailand will allow the Company and its auditors to have full access to relevant records of OCG Thailand for the purpose of review of the transactions referred to above by the Company's auditors.

The responsibilities of Mazars Tax Services Limited in connection with the Group's taxation affairs as mentioned under paragraph (e) above will include:

(a) to prepare a profits tax computation for the Group's subsidiaries operated in Hong Kong which sets out the adjustments required by Hong Kong taxation law to the accounts figures in order to arrive at a tax result;

(b) to submit the computation together with a profits tax return to the Inland Revenue Department ("IRD");

(c) to respond to any queries by the IRD on the computations, reporting to the Group and advising as necessary in regard to any contentious matters;

(d) to agree with the IRD the Group's liability to profits tax;

(e) to agree with the IRD notices of assessment to tax or to lodge objections against incorrect assessments;

(f) to deal with other communications relating to the Group's taxation affairs addressed to the Group by the IRD or passed on to Mazars Tax Services Limited by the Group;

(g) to liaise with overseas subsidiaries' auditors and/or tax advisers on the tax position of those subsidiaries and to report on the status of their tax compliance to the boards; and

(h) to advise on any other tax matters of the Group.

As at the Latest Practicable Date, Mazars Tax Services Limited has not provided, nor has been required by the Group to provide, any services in connection with the Group's taxation affairs.

Based on the above measures and the Group's past experience, the Directors believe that the Group has already implemented sufficient internal controls and financial reporting systems to enable the Company to fulfil its ongoing financial reporting obligations under GEM Listing Rules.

With reference to the Group's current operation and the current internal controls system over financial reporting, the reporting accountants noted no significant difficulties in obtaining required information in performing the audit works and confirm that they are not aware of any factors that will affect the Group's ability to fulfil its ongoing obligations for financial reporting upon listing of the Shares on GEM.

OCG Thailand utilizes a private security room for the network access control server with backup leased lines for emergencies such as communication failure. In addition, the CUP reports and data are also kept in the security room which requires access card for entry. The Group has set up a password to prevent unauthorized access to confidential documents and customer data. Access to the password and information may only be authorized by OCG Thailand's senior management.

RELATIONSHIP WITH OCG UK

OCG UK was incorporated in England and Wales on 7 June 2006. OCG UK has been principally engaged in the payment card related business in the PRC and Thailand (through the Group) as well as the non-payment card business (through OCG HK) in Hong Kong. Its principal activities were jointly marketing lifestyle co-branded card partnership business with an Asia-based international bank in Hong Kong and with BOCOM's Hainan provincial branch in the PRC, and the operation of CUP Card acceptance business in Thailand. In October 2007, OCG UK (through OCG HK) began to issue the non-payment card, golf membership card, after its partnership agreement with the aforesaid bank expired on 30 June 2007. The non-payment card is a golf membership card issued to golfing customers in Hong Kong. The card applicant for the golf card simply completes the golf card application form to become a golf card member – golf card members can enjoy a variety of golf-related shopping benefits, which include golf travel and golf merchandise. The non-payment golf card is purely a golf membership identification card without any payment functions and is issued in Hong Kong only. Hence, the Directors are of the view that it does not compete with the Group's payment card business in the PRC and card acceptance business in Thailand.

The business of OCG UK in Hong Kong is solely carried out through OCG HK. Further, the Controlling Shareholder Group is not engaged in similar card business as that of the Group, as the Controlling Shareholder Group is only engaged in the non-payment golf membership card business, whilst the Group is engaged in the payment golf card business with BOCOM's Hainan provincial branch and in the card acceptance business with CUP. The non-payment golf card issued by OCG HK can only be used in Hong Kong, and cannot be used in the PRC and Thailand. OCG UK, through OCG HK, charges a percentage of sales revenue as commission income from golf vendors by promoting their products and services to the golfers database; golf vendors include golf travel agents, golf retail outlets and golf insurance companies.

Comparative analysis between the Controlling Shareholder Group and the Group:

		Controlling Shareholder Group	The Group
Business model:		Non-payment golf membership card marketing in Hong Kong	(i) CUP Card acceptance business in Thailand and (ii) co-branded card partnership business in the PRC
Target customers:		Golf oriented customers	Middle income group
Size:		Approximately 1,100 cardmembers	Approximately 44,000 cardmembers
Scale of operation:		Hong Kong only	China and Thailand
Composition of board of members:	Executive director	Mr. Yu Ms. Wong Lai Chun	Mr. Yu
	Non-executive director		Ms. Wong Lai Chun
	Independent non-executive director		Mr. Tsang Siu Tung Mr. Chan Chun Wai Mr. Chan Wing Cheung, Joseph

The Controlling Shareholder Group is not engaged in any other business apart from the golf membership card business in Hong Kong. There is no competition or potential competition between the Group and Oriental City Group Bank Limited, for the following reasons (i) OCG UK has no intention to engage Oriental City Group Bank Limited in any business which is similar to that of the Group in any country or region; (ii) OCG UK has entered into a non-competition undertaking pursuant to which OCG UK together with its subsidiaries (including Oriental City Group Bank Limited) and associates (other than the Group), shall not conduct any business that will be in competition with that of the Group; and (iii) Oriental City Group Bank Limited has not yet commenced actual business operations. Please refer to the paragraph headed "Competing businesses of the Directors and the Initial Management Shareholders" in this section headed "Business" of this prospectus for further details.

None of the Group's income or expenses is attributable to the Controlling Shareholder Group apart from the shared corporate administration expenses as disclosed in the paragraph headed "Connected Transactions" in this section headed "Business" of this prospectus. As the Group is focusing on card

payment business at different locations, i.e., the CUP Card acceptance business in Thailand and the co-branded card partnership business in the PRC, the Directors believe that there is no competition among the Group, OCG UK and OCG HK. Save for Mr. Yu and Ms. Wong Lai Chun, the Directors confirm that there is no other overlap of directors or senior management between the Group and the Controlling Shareholder Group as at the Latest Practicable Date. Mr. Yu and Ms. Wong Lai Chun were former colleagues at AIG. Overlap of directors and senior management during the Active Business Pursuit Period between the Group and the Controlling Shareholder Group included Mr. Yu, Ms. Wong Lai Chun, Mr. Phuri Khamphidet, Mr. Limpkittisin and Mr. Mak Kin Chung (who was a member of the senior management of OCG HK and a director of OCG Thailand and subsequently resigned from all positions within the Controlling Shareholder Group in August 2006 and from OCG Thailand in January 2007).

The following table shows the audited financial highlights of OCG UK extracted from OCG UK's audited consolidated financial statements for the three years ended 31 March 2008.

	Year Ended 31 March		
	2008	**2007**	**2006**
	GBP	*GBP*	*GBP*
Turnover	497,327	262,162	262,246
Gross profit (loss)	188,635	(78,459)	(103,504)
Net profit (loss)	(951,407)	(687,326)	(610,152)
Total assets	1,093,978	1,728,260	124,695
Total liabilities	3,387,873	3,261,018	3,436,318
Net Assets (Liabilities)	(2,293,895)	(1,532,758)	(3,311,623)

Immediately following the Placing, OCG UK will indirectly hold 67% (assuming the Offer Size Adjustment Option is not exercised) of the entire issued share capital of the Company.

The Directors believe that the listing in Hong Kong will increase the profile of the Company in Asian markets and therefore gain exposure in Asia. Further, the funds raised will be used to maintain the Company's growth momentum and expand the Company's business in Asian markets, as well as facilitating the mass marketing in the business of co-branded card partnership and card acceptance. The reorganisation involving OCG China and OCG Thailand did not require any approval from the PLUS regulation team, and only shareholders' approval is required which was obtained on 23 January 2008. The PLUS regulation team has had notice of this reorganisation through OCG UK's announcements. According to the information provided by OCG UK and to the best knowledge of the directors of OCG UK, OCG UK did not have any non-compliance record and has not been investigated by the PLUS Markets authorities from the date of its listing on PLUS in London, i.e. 12 March 2007 to the Latest Practicable Date, as the legal advisers of OCG UK have confirmed that the Plus Market did not consider that a breach of the PLUS rules had occurred as a result of the delay in the publication of OCG UK's financial results in 2007. As confirmed by the Frankfurt Stock Exchange, OCG UK is quoted on the Open Market and is not obliged to fulfil any kind of follow-up obligations to the German authorities or the Frankfurt Stock Exchange.

MANAGEMENT, OPERATIONAL AND FINANCIAL INDEPENDENCE FROM OCG UK

Based on the reasons set out below, the Directors consider that the Group is independent from the Controlling Shareholder Group (which will be interested in approximately 67% of the Company's voting rights at the time of listing of the Shares on GEM), in the areas of management, operation and finance such that the Group is capable of operating independently from OCG UK.

Management independence

The Board

Although there is only 1 executive Director, namely Mr. Yu, who is also beneficially interested in approximately 45% of OCG UK's issued share capital, the Directors consider that sufficient measures are in place to eliminate conflict of interests on the level of the Board. First of all, the Company's articles of association provide that a Director shall be absent from the Board meeting and abstain from voting (nor be counted in the quorum) in resolutions(s) of the Board approving any contract or arrangement or other proposal in which he/she or any of his/her associates is interested or potentially interested. In addition to the above measures, each of Mr. Yu, Ms. Wong Lai Chun and OCG Asia has also undertaken that in the event of any actual or potential conflict of interests between OCG UK and the Company and/or on the level of the boards of directors of OCG UK and of the Company, (i) Mr. Yu would abstain in attending and voting at, and should not be counted as quorum in, any Board meeting and/or Shareholders' meeting of the Company (as the case may be); (ii) Ms. Wong Lai Chun would abstain in attending and voting at, and should not be counted as quorum in, any Board meeting and/or Shareholders meeting of the Company (as the case may be); and (iii) OCG Asia would abstain in attending and voting at any Shareholders' meeting of the Company and not be counted as quorum.

In the event that Mr. Yu and Ms. Wong Lai Chun were required to abstain from attending and voting at any such Board meeting, the subject matter would be considered by the three independent non-executive Directors. The Directors consider that, as a whole, the three independent non-executive Directors would have sufficient expertise and experience to make sound decisions on those matters, since (i) Mr. Chan Wing Cheung, Joseph, an independent non-executive Director, has more than 15 years of experience in the banking, finance and electronic payment industries, previously holding various technical and management positions at Baring International Asset Administration Limited, Citibank N.A., Bank of America (Asia) Ltd. and Dah Sing Bank, Limited and (ii) the Group's senior management who are independent from OCG UK can offer their assistance to the independent non-executive Directors under such circumstances.

For the purpose of devoting more time to the affairs of the Group, Mr. Yu would resign from his position as the chief executive of OCG UK and become a non-executive director of OCG UK upon the listing of the Shares on GEM. He would remain as the chairman of the board of directors of OCG UK but would not be involved in the day to day management of OCG UK upon the listing of the Shares on GEM.

Committees

As stated in the section headed "Directors, senior management and staff" of this prospectus, the Company has established (i) an audit committee, (ii) a remuneration committee and (iii) an internal control committee to oversee various management functions within the Group. These committees are comprised solely of independent non-executive Directors.

The primary responsibilities of the audit committee are (i) to review the annual report and accounts, half-yearly report and quarterly reports and provide advice and comments thereon to the Board and (ii) to review and supervise the financial reporting process and internal control system of the Group. The purpose of the remuneration committee is to regularly monitor the remuneration of all of the Group's Directors and senior management such that their remuneration is set at appropriate levels not influenced by their relationship with OCG UK, if any. The main responsibilities of the internal control committee is to review the Company's internal control procedures and ensure that proper and appropriate controls in respect of the Group's finance, operations and human resources are in place.

Senior management

The Directors consider that the Group's senior management involved in the day-to-day operations of the Group, namely Mr. Phuri Khamphidet, Ms. Chen Xiao Min, Sandy and Mr. Limpkittisin, have demonstrated appropriate expertise and experience in the section headed "Directors, senior management and staff" to manage the operations of the Group independently from OCG UK. The Group's senior management do not have any direct relationship with OCG UK and are independent from it.

Operational independence

Independent contact with the Group's business partners

The Group's senior management responsible for the Group's day-to-day operations and their subordinates have direct access to the Group's business partners such as SCB, CUP and BOCOM's Hainan provincial branch without any participation from OCG UK. Furthermore, the Group's senior management have established various business contacts with the Group's customers and suppliers over the years. All of the Group's customers and suppliers are independent from OCG UK. In addition, the Group has also established a local sales and marketing team in Thailand to explore new business opportunities for the Group. This sales and marketing team is independent from OCG UK and it conducts day-to-day operations without any interference from OCG UK. Accordingly, the Group can operate independently from OCG UK.

Independence in relation to premises occupied by the Group

In respect of the properties occupied by the Group in Hong Kong, Thailand and the PRC, the relevant landlords are Independent Third Parties who are also not connected with OCG UK. As such, the Group's occupancy at these premises is independent of OCG UK.

Non-competition undertaking

Pursuant to a non-competition undertaking dated 14 August 2009 between OCG UK, Mr. Yu (in the capacity as a Director and the controlling shareholder of OCG UK), Ms. Wong Lai Chun (in the capacity as a Director) and the Company, OCG UK has undertaken to the Group that it will not, and will procure each of its subsidiaries and associates (other than the Group) not to, conduct, any business that will be in competition with that of the Group. Mr. Yu and Ms. Wong Lai Chun have not entered into the non-competition undertaking in their capacity as directors of OCG UK.

Financial independence

All of the amounts due to/from related parties such as Mr. Yu, Mr. Limpkittisin, VGI Group Company Limited, VGI Global Media Company Limited, OCG HK and OCG UK as mentioned in note 23 to the accountants' report set out in Appendix I to this prospectus have been settled on or before the Latest Practicable Date. In particular, the amounts due to OCG HK of HK$2,511,080 as at 31 March 2008 have been assigned to the Group. Upon the full settlement of the aforementioned amounts, the Directors consider that the Group is financially independent from the substantial Shareholders and in particular, the Controlling Shareholder Group.

FORMER CONTRACTUAL ARRANGEMENTS OF OCG THAILAND PRIOR TO THE RESTRUCTURING

During the Track Record Period, the Group and Mr. Limpkittisin had entered into a number of agreements in relation to OCG Thailand, as listed below, such that the Group was able to comply with the relevant Thai laws and regulations on foreign invested companies. During the Track Record Period, OCG Thailand was owned by not more than 10 shareholders and immediately prior to a restructuring completed in April 2009, it was owned as to 49% by OCG Thailand (BVI), 39.99988% by Mrs. Nongluck Anantachote, 11% by Mr. Limpkittisin, and 0.00004% by each of Ms. Penchan Tungcharuwatanachai, Mr. Mantan Saihad and Miss Patcharin Pinkoksoong, the latter 5 shareholders all being Thai nationals prior to the restructuring. Such contractual arrangements then rendered OCG Thailand (BVI) the right to receive all economic benefits and exercise equity owners' rights over the 11% interests then held by Mr. Limpkittisin in OCG Thailand (the "11% Security Interest"). Details of the Structured Contracts are set out below. As the Structured Contracts gave the Group effective control over OCG Thailand during the Track Record Period, the financial results of OCG Thailand were combined in the Group's combined financial information by the merger accounting method to the extent of 60%.

STRUCTURED CONTRACTS

(i) The Loan Agreement for a loan amount of Baht 687,500, dated 22 June 2005 between OCG HK (as "Lender") and Mr. Limpkittisin (as "Borrower").

(ii) The Receipt of the loan amount of Baht 687,500, dated 22 June 2005.

(iii) The Share Purchase Agreement, dated 22 June 2005 between OCG HK and Mr. Limpkittisin.

(iv) The Pledge of Shares Agreement, dated 22 June 2005 between OCG HK and Mr. Limpkittisin (the "Pledge Agreement").

(v) Proxy dated 22 June 2005 granted by Mr. Limpkittisin to Mr. Yu to attend and vote in respect of the 11% Security Interest at any shareholders' meetings of OCG Thailand (the "Proxy").

(vi) The Assignment, dated 28 December 2007 among OCG HK, OCG Thailand (BVI) and Mr. Limpkittisin.

(vii) The New Pledge of Shares Agreement, dated 28 December 2007 between OCG Thailand (BVI) and Mr. Limpkittisin (the "New Pledge Agreement").

(viii) Undated Proxy granted by Mr. Limpkittisin to Mr. Yu on behalf of OCG Thailand (BVI) to attend and vote in respect of the 11% Security Interest at any shareholders' meetings of OCG Thailand (the "New Proxy").

(ix) Undated Share Transfer Instrument in respect of the 11% Security Interest signed by Mr. Limpkittisin as the transferor for transferring the 11% Security Interest to the transferee (unidentified) (the "Share Transfer Instrument").

Based on the above structured contracts arrangements, notwithstanding the lack of equity ownership in legal form, the contractual arrangements gave the Group (i) control over the financial and operating policies of OCG Thailand and (ii) enjoy the risks and rewards on the then 11% equity interest in OCG Thailand held by Mr. Limpkittisin in substance by way of:

a) the Pledge Agreement over the 11% Security Interest which required any transfer of such interest to be approved by OCG HK;

b) the Assignment assigned the then 11% security interest in OCG Thailand held by OCG HK from OCG HK to OCG Thailand (BVI);

c) the New Proxy irrevocably authorized individuals designated by the Group to exercise the equity owners' rights over the 11% Security Interest;

d) the New Pledge Agreement over the 11% Security Interest which required any transfer of such interest to be approved by the Group; and

e) the call option under the Share Purchase Agreement on the 11% Security Interest which was assigned to the Group by the Assignment and evidenced by the Share Transfer Instrument enabled the Group, subject to compliance with Thai laws, to obtain and enjoy the benefit arising from the 11% Security Interest at any time as the Group thought fit.

The FBA of Thailand prevents foreigners from providing most services in Thailand without regulatory approval. Section 4 of the FBA defines the following persons and entities as "foreigners":

(1) an individual, who does not have Thai nationality;

(2) a juristic entity not registered in Thailand;

(3) a juristic entity registered in Thailand and:

  (a) having half or more of its share capital held by a person under paragraph (1) or (2) above, or in which a person under paragraph (1) or (2) invests half or more of the total capital; or

  (b) being a limited or registered ordinary partnership having an individual under paragraph (1) above serve as managing partner or manager; and

(4) a juristic entity registered in Thailand having half or more of its share capital held by a person under paragraph (1), (2) or (3), or in which a person under paragraph (1), (2) or (3) invests half or more of the total capital.

As opined by the Company's Thai legal advisers, Somphob Tax and Law Office Ltd, since OCG Thailand has Thai shareholders holding a total of more than 50% of the total registered shares, OCG Thailand is not regarded as a foreign company under the law, namely, the FBA which sets restrictions for certain businesses to be engaged in by foreign companies. The current service business of OCG Thailand is regarded as one restricted business which, when engaged in by a foreign company, a foreign business licence is required to be applied from the MOC. The issuance of such foreign business licence is subject to the permission of the Director-General of Commercial Registration, MOC, with the approval of the Foreign Business Committee. The criteria set forth in the FBA and the Foreign Business Committee for permission and approval is whether such business can be conducted and competed by Thais, the amount of capital remitted from foreign shareholder and the high technology provided by foreign shareholders. Since the Company is not regarded as a foreign company, no application for such foreign business licence is required to be sought out. To obtain the regulatory approval, an applicant must submit an application together with the supporting documents to MOC. According to the Company's Thai legal advisers, Somphob Tax and Law Office Ltd., the grant of a foreign business licence was subject to the satisfaction of the Foreign Business Committee. Based on the then circumstances of OCG Thailand before the implementation of the preference shares structure arrangement, the then policy in Thailand and the previous discussion by the Company's Thai legal advisers with the official on a no-name basis, the Company's Thai legal advisers were of the view that OCG Thailand would not have been granted a foreign business licence. As such, OCG Thailand did not apply for a foreign business licence and considered maintaining a Thai majority owned company with the former contractual arrangements with Thai shareholders prior to restructuring. The former contractual arrangements in relation to OCG Thailand had been entered into because (i) the former contractual arrangements were in compliance with the laws of Thailand, (ii) it was unlikely that OCG Thailand would have been granted a foreign business licence even if such licence had been applied for such licence and (iii) the former contractual arrangements allowed

OCG Thailand to immediately commence its business instead of going through an application process which, in the view of the Company's Thai legal advisers, Somphob Tax and Law Office Ltd., virtually had no chance of becoming successful. As advised by the Company's legal advisers as to the laws of Thailand, no formal consultation with MOC had been made. Informal consultation had been attempted but MOC declined to provide any feedback. The contractual arrangements had been implemented by a number of private agreements. No filing of the contractual arrangements was required.

The Company's legal advisers as to the laws of Thailand are of the opinion that the contractual arrangements are in compliance with (i) the existing Thai laws including the FBA; (ii) rules and regulations, including, without limitation, those applicable to the business of the Company and OCG Thailand, and (iii) the relevant provisions in the Civil and Commercial Code since OCG Thailand did not adopt any articles of association until after restructuring to include preference shares.

Although the Company's Thai legal advisers, Somphob Tax and Law Office Ltd., confirmed that the Structured Contracts between OCG Thailand (BVI) and Mr. Limpkittisin were in compliance with the existing laws and regulations of Thailand, there can be no assurance that any change of law or practice will not render the Structured Contracts to have been illegal or not having been regarded as in compliance with the Thai laws by the relevant Thai governmental or judicial authorities. Furthermore, there can be no assurance that the relevant Thai governmental of judicial authorities will in the future adopt a purposive interpretation or application of the Thai laws and regard the Structured Contracts as not having been in compliance with Thai laws. If the Structured Contracts are held to have been in violation of any Thai laws, the relevant Thai regulatory authorities may rule and order that OCG Thailand (BVI) and Mr. Limpkittisin have violated the FBA. As advised by the Thai legal advisers to the Company, DLA Piper (Thailand) Limited, the likelihood that the Structured Contracts would be scrutinized by the authorities is minimal. Each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has jointly and severally given an indemnity in favour of the Group in respect of any losses, damages, liabilities and penalties suffered and costs incurred by the Group as a result of the contractual arrangements. Based on the above, the Directors estimate that the maximum exposure to the Group covered by such indemnity is approximately HK$766,533 comprising (i) the maximum fine of Baht 1,000,000 (equivalent to approximately HK$220,000 and (ii) the estimated loss to the Group of approximately HK$546,533, representing the Group's share (60%) of the net assets, which includes the Group's net investment and share of accumulated post acquisition results of OCG Thailand as at 31 March 2009 in the event that OCG Thailand is ordered to cease its operations. Such indemnity does not cover loss on cessation of business and loss of future income.

The Company's Thai legal advisers consider that they have taken all possible actions or steps to enable them to reach their legal conclusions in relation to the contractual arrangements. Based on the above, the Directors and the Sponsor are satisfied that all appropriate actions and steps have been taken by them in obtaining the necessary level of assurance.

As the Company's Thai legal advisers are lawyers qualified to practise laws in Thailand, the Sponsor believes that they should have sufficient knowledge with regard to the requirements under the relevant laws and regulations applicable to the contractual arrangements in relation to the 11% Security Interest in OCG Thailand. Accordingly, the Sponsor believes that the Company's Thai legal advisers have taken the appropriate actions or steps to enable them to reach their legal conclusion

regarding the contractual arrangements. The Company will retain its legal advisers as to the laws of Thailand following the listing of the Company. The Directors consider that the Company's Thai legal advisers can assist the Group in monitoring changes and developments in the Thai laws and regulations with regard to the restrictions on foreign ownership.

In the event that the Structured Contracts are challenged by the relevant Thai authority, the authority may also refer the case to the court for judgment and fines and penalties may apply to OCG Thailand (BVI) and Mr. Limpkittisin – although the authority has not exercised such power and ruled against any similar contractual arrangement. If OCG Thailand (BVI) or any of respective shareholders of OCG Thailand were to be found to have been in violation of any existing or future Thai laws or regulations, the regulatory authority would have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) and order for cessation of operation. Mr. Limpkittisin and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, there has been no ruling or decision of the official of the MOC deciding that the arrangement under the former Structured Contracts is held to be invalid and illegal as opposed to the FBA or MOC regulations. There has been no precedent in the Supreme Court of Thailand on the invalidity of a similar arrangement to the Structured Contracts as being opposed to the FBA. Moreover, the Structured Contracts have been terminated by the result of the repayment of the loan by Mr. Limpkittisin and all the shares in OCG Thailand held by him have been transferred to OCG Thailand (BVI) as pursuant to Share Purchase Agreement. The likelihood of the arrangement under the Structured Contracts being scrutinized by the relevant authorities for any offenses under the FBA is minimal.

PREFERENCE SHARES STRUCTURE ARRANGEMENT OF OCG THAILAND

To comply with the relevant Thai laws and regulations on foreign invested companies, the Group operates its CUP Card acceptance business through OCG Thailand whose approximately 49.18033% is held by OCG Thailand (BVI) and 50.81964% is held by Mrs. Nongluck Anantachote and 0.00003% is held by Miss Patcharin Pinkoksoong, the latter 2 shareholders are Thai nationals. Through the preference shares structure arrangement, OCG Thailand (BVI) shall have 57.47126% voting rights in OCG Thailand.

The following table sets out the shares, voting power and ordinary dividend entitlement in respect of OCG Thailand held by each of the shareholders of OCG Thailand :

	Ordinary share capital		Preference share capital		Total share capital			
	No. of shares	%	No. of shares	%	No. of shares	%	Voting Power	Ordinary dividend entitlement
OCG Thailand (BVI)	1,500,000	60.00000%	–	0%	1,500,000	49.18033%	57.47126%	60.00000% *(Note)*
Mrs. Nongluck Anantachote	999,999	39.99996%	550,000	100%	1,549,999	50.81964%	42.52870%	39.99996%
Miss Patcharin Pinkoksoong	1	0.00004%	–	0%	1	0.00003%	0.00004%	0.00004%
	2,500,000	100.00000%	550,000	100%	3,050,000	100.00000%	100.00000%	100.00000%

Note: The Group is entitled to 60% of economic benefit as an ordinary shareholder of OCG Thailand.

In terms of voting powers, 1 ordinary share is equivalent to 5 preference shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on any resolution of OCG Thailand.

The holders of preference share 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 the OCG Thailand, prior to the ordinary shares, but limited to the paid up amount of each of the preference share.

Under article 7 of the articles of association of OCG Thailand, the holders of preference shares are entitled to receive only the cumulative dividend declared by OCG Thailand at the rate of 9% of the paid-up value of the shares issued, prior to the holders of ordinary shares. The holders of preference shares shall have no right to receive further dividends in addition to the 9% cumulative dividend as provided in article 7 above.

Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong are Thai nationals who hold a total of 50.81967% share capital of OCG Thailand.

Pursuant to the preference shares structure arrangement as described above, OCG Thailand (BVI) is entitled to receive 60% benefit on the dividend declared to the ordinary shareholders of OCG Thailand at any time, to participate in 60% of the residue net assets, after the repayment of any paid up preference share capital, of OCG Thailand upon its winding up and obtain more than 57% voting power in the shareholders' meetings of OCG Thailand.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, Section 4 of the FBA is not concerned about the different classes of shares in determining whether the entity is a "foreigner" and Section 4(3) and 4(4) make it clear that the concern relates to the total number of all capital shares in the Company (combination of all classes). The Company's Thai legal advisers, Somphob Tax and Law Office Ltd., also confirmed that as OCG Thailand (BVI) invested in less than half of the total capital of OCG Thailand, OCG Thailand would not be regarded as a "foreign" entity under section 4(3) of the FBA. The Company's Thai legal advisers, DLA Piper (Thailand) Limited, advised that the preference shares structure arrangement between OCG Thailand (BVI) and the Thai shareholders is in compliance with the existing laws and regulations of Thailand. However, there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a liberal and purposive interpretation or application of the Thai laws and regard such preference shares structure arrangement as being in compliance with Thai laws. If such preference shares structure arrangement is held to be in violation of any existing or future Thai laws, the relevant Thai regulatory authorities may rule that OCG Thailand (BVI) and the Thai shareholders violate the FBA, and order such preference shares structure arrangement be cancelled and OCG Thailand to restructure its shareholdings to be otherwise in compliance with the laws within a certain period as prescribed by the authority, failing which the relevant authority may also refer the case to the court for judgment and fines and penalties may apply to OCG Thailand (BVI) and violator. If OCG Thailand or any of its respective subsidiaries or shareholders are found to be in violation of any existing or future Thai laws or regulations, the regulatory authority will have broad discretion in dealing with such violation, including imprisonment for a term of not exceeding 3 years or levying fines between Baht 100,000 (equivalent to approximately HK$22,000) to Baht 1,000,000 (equivalent to approximately HK$220,000) and order for cessation of operation. Mrs. Nongluck Anantachote, Miss Patcharin Pinkoksoong and the authorized directors of OCG Thailand (BVI) who were involved in the transaction may be exposed to such risk. Each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has jointly and severally given an indemnity in favour of the Group in respect of any losses, damages, liabilities and penalties suffered or costs incurred by the Group as a result of the preference shares structure arrangement of OCG Thailand. Based on the above, the Directors estimate that the maximum exposure to the Group covered by the Preference Shares Structure Arrangement Indemnity is approximately HK$766,533 comprising (i) the maximum fine of Baht 1,000,000 (equivalent to approximately HK$220,000 and (ii) the estimated loss to the Group of approximately HK$546,533, representing the Group's share (60%) of the net assets, which include the Group's net investment and share of accumulated post acquisition results of OCG Thailand as at 31 March 2009 in the event that OCG Thailand is ordered to cease its operations. This indemnity does not cover loss on cessation of business and loss of future income.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, the preference shares structure arrangement in relation to OCG Thailand was adopted because (i) the preference shares structure arrangement is in compliance with the laws of Thailand, (ii) OCG Thailand is a Thai entity and shall not be considered a foreigner under the definition of the FBA, as Thai shareholders hold more than 50% of all issued shares in OCG Thailand, whether in form of preference shares or ordinary shares as a result of the restructuring, and (iii) the preference shares structure arrangement allows OCG Thailand to carry on its business in Thailand.

To ensure the legitimate right of OCG Thailand to operate business in Thailand and to avoid any negative impact to the preference shares structure arrangement caused by any change to the FBA, OCG Thailand has also submitted an application to the BOI seeking promotional privileges to enable it to operate business activities, including those restricted businesses under FBA. Upon obtaining the BOI promotion, OCG Thailand may subsequently become majority or 100% owned by foreigner(s).

The Company's Thai legal advisers as to the laws of Thailand, DLA Piper (Thailand) Limited, are of the opinion that the preference shares structure arrangement is in compliance with (i) the existing Thai laws including the FBA; (ii) rules and regulations, including, without limitation, those applicable to the business of the Company and OCG Thailand, and (iii) the relevant provisions in the Thai Civil and Commercial Code and OCG Thailand's articles of association.

As advised by the Company's Thai legal advisers, DLA Piper (Thailand) Limited, the current version of FBA does not have any provision to determine whether an entity is a foreigner based on voting right attached to each share, or on different classes of shares and there is no previous supreme court judgement ruling the preference shares structure arrangement to be in violation of FBA. The MOC proposed a draft amendment to the FBA to the cabinet on 9 January 2007. In the draft amendment, major amendments are (i) add "voting rights" as a criterion to determine whether a juridical person registered in Thailand is a foreign company or not, (ii) increase the fine by 5 times for non-compliance and (iii) amend the list of restricted business. At such time, the MOC understood that companies where foreigners have more than 50% voting rights were not in violation of the current FBA. Even though there was some considerations of the proposed draft bill by the Thai cabinet and the National Legislative Assembly, such draft bill was dropped and the current government will not proceed further with the amendment to the FBA as commented by the Prime Minister, Abhisit Vejjajiva, on Monday, 19 January 2009. At the time of submission of the draft amendment to the FBA to the cabinet on 9 January 2007, MOC has admitted publicly in relation to the proposed amendment in the FBA that a company where foreigners have more than 50% voting rights was not in breach of current version of the FBA. In addition, the Council of State rules that it is also legitimate for holders of preference shares to have the right to receive dividend at a rate better than general investment while receiving less favorable voting rights. The preference shares structure arrangement has been widely implemented by a number of private business operators in Thailand. OCG Thailand is therefore a Thai entity but not a "foreigner" under FBA, as the current provisions of FBA do not include voting rights as a criterion even though OCG Thailand (BVI) is entitled to 57.47126% of the voting powers of OCG Thailand.

The Company's Thai legal advisers consider that they have taken all possible actions or steps to enable them to reach their legal conclusions in relation to the preference shares structure arrangement. The steps taken by the Company's Thai Legal advisers, DLA Piper (Thailand) Limited, included (i) reviewing all laws and regulations concerning the issuance of the preference shares by a company and the business operations in Thailand by an entity having foreigner(s) holding certain shares in that company, including the CCC; the FBA; the IPA and the internal regulations and guidelines of the MOC concerning the incorporation of a corporate vehicle in Thailand; (ii) making all the searches on the Supreme Court judgement, Council of State's opinion, the MOC's rulings and guidelines concerning the preference share structure; (iii) consulting with the officials of MOC who are responsible for reviewing and approving the contents of the articles of association of a company in determining the appropriate terms of the articles of association of OCG Thailand in relation to the preference shares; and (iv) consulting with the BOI official on the business activity of OCG Thailand which would be eligible for the BOI promotional privilege under the Category 7.22 – Business Process Outsourcing (BPO). Based on the actions taken by DLA Piper (Thailand) Limited, their conclusion is that under the preference shares structure arrangement, OCG Thailand is legally eligible to operate its business activity in Thailand. For the purpose of ascertaining the regulator's opinion, the Sponsor's Thai legal advisers, Watson, Farley & Williams (Thailand) Limited, unofficially contacted and discussed with an officer of the Bureau of Foreign Business Administration, Department of Business Development, MOC (the

regulatory authority under the FBA). It is understood from the aforementioned discussion that (i) the former (and now overtaken) structured contracts arrangements did not contravene applicable Thai law, (ii) there was minimal risk of the authorities scrutinizing the former structured contracts arrangements and/or taking legal action with respect to it and (iii) the current preference shares arrangement is in compliance with the applicable Thai laws. The Sponsor's legal advisers advise that it is difficult to obtain official written confirmation relating to the regulatory assurance and they consider that they have taken all possible actions or steps to enable them to reach their legal conclusions in relation to the preference share structure arrangement. On the basis of this, the Sponsor is satisfied with the opinion of the Sponsor's legal advisers that the Preference Shares arrangement is not prohibited by the FBA and that OCG Thailand is not regarded as a foreign entity, which is consistent with the opinion of the Company's legal advisers. The Directors and the Company's Thai legal advisers, DLA Piper (Thailand) Limited are of the view that there is no imminent risk that the relevant Thai authorities would prohibit or take actions to prohibit the preference shares arrangement.

According to the Thai legal advisers of the Company, OCG Thailand has obtained all licences, permits or certificates necessary to conduct its operations from the relevant governmental bodies in the jurisdictions where the Group operates, and that the Group complies with all applicable laws and regulations in all jurisdictions where its operate since its establishment and has not committed any offences, violations or breaches of laws or regulations in all jurisdictions where it operates.

As the Company's Thai legal advisers are lawyers qualified to practise laws in Thailand, the Sponsor believes that they should have sufficient knowledge with regard to the requirements under the relevant laws and regulations applicable to the preference shares structure arrangement in OCG Thailand. Accordingly, the Sponsor believes that the Company's Thai legal advisers have taken the appropriate actions or steps to enable them to reach their legal conclusion regarding the preference shares structure arrangement. The Company will retain its legal advisers as to the laws of Thailand following the listing of the Company. The Directors consider that the Company's Thai legal advisers can assist the Group in monitoring changes and developments in the Thai laws and regulations with regard to the restrictions on foreign ownership.

The Directors are of the view that it is unlikely that the arrangement under the preference shares structure arrangement will be challenged in the future by the relevant Thai authority. If the preference shares structure arrangement is challenged or if any of the parties is found to be in violation of any existing or future Thai laws or regulations because of the preference shares structure arrangement, the Company may still be able to treat OCG Thailand as a subsidiary if the Company can demonstrate that it still has the "*power to govern the financial and operating policies of an entity so as to obtain benefits*" from the activities of OCG Thailand with reference to the following factors under Hong Kong Accounting Standards ("HKAS") 27.13:

(a) power over more than half of the voting rights by virtue of an agreement with other investors;

(b) power to govern the financial and operating policies of the entity under a statute or an agreement;

(c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or

(d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

Furthermore, the Directors are satisfied that the conditions set out under HKAS 27.13 have been met and consider that the Company is in a position to conclude that it is able to "control" OCG Thailand. Therefore, should the preference shares structure arrangement be found to be in violation of any existing or future Thai laws or regulations, the Company shall consolidate the financial position and results of OCG Thailand to the extent of its 49.18033% equity interest in accordance with HKAS 27. Otherwise, the Company shall apply equity method of accounting to account for its 49.18033% equity interest in OCG Thailand as an "associate" in accordance with HKAS 28.

The reporting accountants confirm that the above accounting treatments are in accordance with the applicable accounting standards.

CONTROL OF OCG THAILAND

As stated above, the Group operates its CUP Card acceptance business through OCG Thailand whose 49.18033% equity interest is held by OCG Thailand (BVI) for the purpose of complying with the relevant Thai laws and regulations on foreign invested companies. By way of the preference shares structure arrangement described in the above subsection of this prospectus, the Group is able to exercise effective control over OCG Thailand in substance.

During the period commencing from 1 April 2005 up to 20 June 2005, OCG HK (the predecessor of the Group) exercised its voting right on OCG Thailand through its 49% legal and beneficial interest in OCG Thailand. During the period commencing from 20 June 2005 up to 27 April 2009, OCG HK (the predecessor of the Group) or OCG Thailand (BVI), as the case may be, exercised its voting right in respect of OCG Thailand through its 49% legal and beneficial interest and the contractual arrangements with Mr. Limpkittisin in respect of his 11% equity interest in OCG Thailand (the "11% Security Interest"). Since 28 April 2009, the voting power through the preference shares structure arrangement allows OCG Thailand (BVI) to have more than 57% of the total voting of OCG Thailand. Accordingly, for the period of at least 24 months immediately preceding the date of submission of the listing application, the Group or its predecessor exercised or controlled the exercise of more than 57% voting power in respect of OCG Thailand.

Having studied the details of the board composition of OCG Thailand, the Sponsor is satisfied that the management right of OCG Thailand has, in substance, always been vested in the Group since 11 November 2004 after the establishment of OCG Thailand on 27 September 2004 following the entering into by OCG Thailand (BVI) and Mr. Limpkittisin of the Structured Contracts (and after the implementation of preference shares structure arrangement on 28 April 2009). Save for (i) the period from 27 September 2004 to 10 November 2004, (ii) the period from 12 May 2005 to 1 January 2007 during which the Group had a third director representing it in OCG Thailand; and (iii) the period from 1 December 2007 up to the Latest Practicable Date during which VGI Group Co., Ltd. or Mrs. Nongluck Anantachote only had 1 director (namely Mr. Chanchai Lertsakulthong) representing it/her in OCG Thailand, OCG Thailand had a total of 4 directors with 2 of them representing the Group while the other 2 directors represented VGI Group Co., Ltd., a then shareholder holding an about 40% interest in OCG Thailand, for most of the times of OCG Thailand's history. After the establishment of OCG Thailand on 27 September 2004, Mr. Yu (also an executive Director) and Mr. Chan Ngok were

appointed by the Group as directors of OCG Thailand on 11 November 2004. Since their appointment as directors of OCG Thailand, Mr. Yu Chun Fai and Mr. Chan Ngok have been directly involved in the management of OCG Thailand. Although VGI Group Co., Ltd. may at times have equal board representation in OCG Thailand, the directors appointed by VGI Group Co., Ltd. or the director appointed by Mrs. Nongluck Anantachote only had a passive role (i.e. non-executive in nature) on the board and had in fact never participated in the day-to-day management of OCG Thailand. The Directors have also confirmed that, during the Track Record Period, all the board resolutions of OCG Thailand had been passed by unanimous votes. As VGI Group Co., Ltd. was, and Mrs. Nongluck Anantachote is, the passive investor of OCG Thailand, the director(s) nominated by it or director nominated by her in the board of directors of OCG Thailand had voted in the same way as those of the directors nominated by OCG HK or OCG Thailand (BVI). In any event, OCG Thailand had 3 directors as at the Latest Practicable Date and 2 out of these 3 directors are representatives of the Group.

On the basis that (i) the Group has had control over OCG Thailand at the shareholder level by way of the arrangements under the Structured Contracts and as advised by the Company's legal advisers as to the laws of Thailand, the Civil and Commercial Code of Thailand requires that directors must be appointed by resolution of shareholders; (ii) VGI Group Co. Ltd. or Mrs. Nongluck Anantachote has at no time had more representatives on the board of OCG Thailand than the number of the Group's representatives during the entire Active Business Pursuit Period; (iii) for the period from 12 May 2005 to 1 January 2007, the Group had control over 3 out of 5 directors of OCG Thailand; (iv) the directors appointed by VGI Group Co., Ltd. or the director appointed by Mrs. Nongluck Anantachote only had a passive role on the board and had in fact never participated in the day-to-day management of OCG Thailand; and (v) the Group is currently able to exercise control over 2 out of 3 directors of OCG Thailand, the Sponsor and the Directors are satisfied that the Group has had effective control over OCG Thailand during the entire Active Business Pursuit Period.

After considering the above relevant factors for concluding that the Group is able to demonstrate that it has the "power to govern the financial and operating policies of an entity so as to obtain benefits" from the activities of OCG Thailand in accordance with the provisions stated in Hong Kong Accounting Standard 27 "Consolidated and Separate Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and making reference to the legal opinion obtained from the Company's legal advisers as to the laws of Thailand, during the Track Record Period, the financial position and the results of OCG Thailand are included in the Group's combined financial information to the extent of 60%, being 49% equity interest plus the 11% Security Interest as reported in the accountants' report set out in Appendix I to this prospectus.

As mentioned above, any proposed appointment or nomination of directors of OCG Thailand shall be approved by general meeting of shareholders by a majority vote. The Directors confirm that during the Active Business Pursuit Period, all the resolutions proposed at the annual general meetings and extraordinary general meetings of OCG Thailand had been approved by the shareholders present at the meetings (including the presence of the Group) by unanimous consent.

Upon the completion of the group restructuring, including but not limited to the implementation of the preference shares structure arrangement, the Group's interest in OCG Thailand have been accounted as interests in a subsidiary of OCG Thailand (BVI).

The Reporting Accountants confirm that the above accounting treatment is in accordance with the applicable accounting standards.

The procedures for the passing of resolutions to substantiate the Group's control over OCG Thailand have been set out in OCG Thailand's articles of association.

Quorum

Quorum of the board of directors meeting: According to article 29, shall consist at least half (1/2) of all directors attending the meeting in person.

Quorum of shareholders meeting: According to article 16, the quorum required for the shareholder meeting is at least 40% of the shares capital of the company, provided that at least 1 ordinary shareholder is present in person or by proxy.

Matters

Matters required to be passed by the board of directors meeting: the articles of association or the Civil and Commercial Code ("CCC") does not spell out as to which matters are required to be passed by the board of directors. Therefore, it is interpreted that all matters required to be passed by the board of directors, except those matters which are required to be passed by shareholders' resolution.

Matters required to be passed by shareholders: The CCC and/or the articles of association specifies the following matters which are required to be passed by shareholders' resolution:

(1) To appoint or remove directors

(2) To consider minutes of the board of directors' meeting for the past period, work and instruction for future work

(3) To appoint an auditor and his remuneration

(4) To approve remuneration for the directors, to declare distribution of a dividend and reservation

(5) To approve balance sheets and profit and loss statements

Matters required to be passed by "special resolution" of shareholders the CCC and/or the articles of association specifies the following matters which are required to be passed by special resolution of shareholders:

(1) To make additions to or alterations of the company's articles of association or the memorandum of association

(2) To increase the company capital by issuing new shares

(3) To issue new shares which are paid-up otherwise than in money

(4) To reduce capital

(5) To dissolve the company

(6) To amalgamation of the companies

(7) To convert from a private limited company to a public company limited

There shall be no separate class meetings for ordinary and preference shareholders for passing "shareholders' resolution" and "special resolution"

Voting

Voting of board of directors meeting: According to the Articles of Association, all resolutions of the Board of Directors shall require the affirmative vote of a majority of directors present in person. In case of an equality of votes, the chairman has a casting vote.

Voting of shareholders' meeting: Each ordinary share shall have one vote and one vote for every five preference shares. The shareholders' resolution shall require a majority vote of the votes attached to shares held by the shareholders present at the meeting in person or by proxy which must comprise at least one vote from the Group A Shareholder. In case of matters required to be passed by "special resolution", the special resolution must be passed by a majority of not less than 75% of the total votes.

COMPETING BUSINESSES OF THE DIRECTORS AND THE INITIAL MANAGEMENT SHAREHOLDERS

Mr. Yu, an executive Director of the Company, is also the chairman of OCG UK, the Company's ultimate holding company. He holds approximately 45% beneficial interest in OCG UK. In view of the fact that upon the listing of the Shares on GEM, (i) Mr. Yu will be involved in the day-to-day management of the business of the Company whilst Ms. Wong Lai Chun, the other director of OCG UK and the non-executive Director of the Company, will mainly be responsible for the management of OCG UK and (ii) the Company remains a subsidiary of OCG UK and one of the group members of OCG UK, the Company considers that there will be no material conflict of interest resulting from the overlapping positions of Mr. Yu and Ms. Wong Lai Chun as directors of the Company and OCG UK. Save for the fact that Mr. Yu is a substantial shareholder and a director of OCG UK, Ms. Wong Lai Chun is a director of OCG UK, and that they are merely business associates, there are no other conflicts of interests which any of the Directors, Management Shareholders, Substantial Shareholder and their respective associates has or may have with the Group pursuant to the GEM Listing Rules. Upon the listing of the Shares, Mr. Yu's role in OCG UK will focus on business development strategies and Ms. Wong's role in OCG UK is focused to provide business development advice.

The non-payment golf membership card business operated by OCG UK through OCG HK is relatively much smaller in scale (in terms of revenue and resources allocated) than the card acceptance business operated by OCG Thailand and the co-branded card partnership business operated by OCG China. Accordingly, the Directors consider that Mr. Yu can devote sufficient attention to manage the business and affairs of the Group.

OCG UK is principally engaged in the payment card related business in the PRC, Thailand, (both through the Group) as well as in Hong Kong. Pursuant to a non-competition undertaking (the "Undertaking") dated 14 August 2009 between OCG UK, Mr. Yu, Ms. Wong Lai Chun (collectively "the Covenantors") and the Company, conditional upon the conditions stated in the paragraph headed "Conditions of the Placing" under the section headed "[•••]" of this prospectus having been fulfilled:

(a) OCG UK has undertaken to and covenanted with the Company (for itself and for the benefit of its subsidiaries) that it will not, and will procure each of its subsidiaries and associates (other than the Group) not to, conduct any business that will be in competition with that of the Group.

(b) Each of the Covenantors has undertaken to and covenanted with the Company (for itself and on behalf of its subsidiaries) that during the continuation of the Undertaking:

(i) he/she/it shall not, and shall procure that none of his/her/its associates but excluding the Group will, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or engaged in or acquire or hold any rights or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any payment card related business in all the countries and regions in Asia (including the PRC, Thailand, Singapore, Laos, Macau but excluding Hong Kong) (the "Business");

(ii) if he/she/it and/or any of his/her/its associates (other than the Group) is offered or becomes aware of any opportunity in relation to the Business, whether directly or indirectly, he/she/it shall: (i) promptly notify the Company in writing of such opportunity and in any event not later than seven (7) Business Days after becoming aware of such opportunity and provide such information as is reasonably required by the Company as soon as practicable in order to enable it to come to an informed assessment of such opportunity; and (ii) use his/her/its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to him/her/it and/or his/her/its associates (other than the Group); and

(iii) he/she/it shall provide all information necessary for the enforcement of the Undertaking and shall make an annual declaration on the compliance with the Undertaking in the annual report of the Company. Such disclosure would follow the principles of making voluntary disclosures in the Corporate Governance Report under Appendix 16 to the GEM Listing Rules.

The independent non-executive Directors shall review, at least on an annual basis, the compliance with the Undertaking by the Covenantors and their respective associates on their existing or future businesses. Each of the Covenantors has undertaken that he/she/it shall provide all information necessary for the annual review by the Company's independent non-executive directors and the enforcement of the Undertaking including but not limited to the confirmation from the Covenantors

on the compliance of the Undertaking by the Covenantors and their respective associates, the business models and plans of OCG UK and the board minutes of OCG UK and specify such information in such detail as may be required by the Company's independent non-executive directors. The Company shall disclose the decisions on those matters reviewed by its independent non-executive Directors relating to the compliance and enforcement of the undertakings as set out in the Undertaking in the annual reports of the Company. Such disclosure would follow the principles of making voluntary disclosures in the Corporate Governance Report under Appendix 16 to the GEM Listing Rules. OCG Asia has undertaken that it shall abstain from attending and voting at the meeting of the shareholders of the Company and not be counted as quorum where there is actual or potential conflict of interests. Each of Mr. Yu and Ms. Wong has undertaken that he/she shall abstain from attending and voting at the meeting of the directors of the Company and not be counted as quorum where there is actual or potential conflict of interests.

The Undertaking shall take effect upon the listing of the Shares on GEM and shall cease to be of any force and effect at the earlier of: (a) in relation to OCG UK, the date on which it ceases to be the Controlling Shareholder of the Company; (b) in relation to Mr. Yu, the date on which (i) he ceases to be the controlling shareholder of the Controlling Shareholder Group and a Director or (ii) the date on which the Company ceases to be a subsidiary of OCG UK and Mr. Yu ceases to be a Director and (c) in relation to Ms. Wong, the date on which she ceases to be a Director.

Under English company law, shareholders' approval is required for the non-competition undertaking. There are no regulatory approvals required from PLUS. Further, there are no requirements under the PLUS Rules to seek approval from PLUS on listing a subsidiary. Under English company law, shareholders' approval is required from OCG UK for the listing of its subsidiary (Oriental City Group Holdings Limited) on GEM. The resolution approving the giving of the aforementioned non-competition undertaking by OCG UK in favour of the Group and the resolution approving the proposed listing of the Company have been approved by the shareholders of OCG UK at the extraordinary general meetings of OCG UK held on 27 June 2008 and 23 January 2008 respectively.

COMPLIANCE WITH RULE 11.12 OF THE GEM LISTING RULES (REPEALED ON 1 JULY 2008)

The Directors consider that the Group has made significant progress in its development by recording its first profit making year in the year ended 31 March 2008. Combined revenue of the Group amounted to HK$1,848,936, HK$7,280,097 and HK$7,807,445 for the three years ended 31 March 2009 respectively, which translates into revenue growth rates of approximately 293.7% and 7.2% for the two years ended 31 March 2008 and 2009. In addition to the growth in combined revenue, the Group also managed to turn around from a combined loss for the year of HK$1,701,940 during the year ended 31 March 2007 to a combined profit for the year of HK$345,156 for the year ended 31 March 2008 and HK$355,489 (of which HK$307,977 comprises benefit of tax losses) for the year ended 31 March 2009, but the Group recorded a loss attributable to the equity holders of the Company of HK$145,451 for the year ended 31 March 2009. Apart from the above, the Group also reversed the combined net liabilities of HK$2,338,185 as at 31 March 2007 to combined net assets of HK$3,021,211 as at 31 March 2009 following the assignment of inter-company current accounts by OCG HK to the Group as mentioned under note 1(b) to the Accountants' Report in Appendix I to this prospectus. As at 31 March 2009, the Group also had net current assets of HK$2,187,569 as compared

to net current liabilities of HK$3,233,654 as at 31 March 2007. As mentioned in the section headed "Financial Information" in this prospectus, the increase in the Group's total revenue was mainly due to the significant increase in CUP Cards acceptance transaction volume, which achieved approximately Baht 1,206 million (equivalent to approximately HK$265 million) for the year ended 31 March 2008 as compared to approximately Baht 461 million (equivalent to approximately HK$101 million) for the year ended 31 March 2007. Based on the above, the Directors consider that the Group as a whole has a business of both substance and potential as required under note 3 to Rule 11.12 of the GEM Listing Rules (repealed on 1 July 2008).

CONNECTED TRANSACTIONS

I. Discontinued Connected Transaction

The following connected transaction has been discontinued prior to the listing of the Shares on GEM:

Acknowledgement signed by OCG UK and OCG HK in favour of the Group

On 1 May 2008, OCG UK and OCG HK signed an acknowledgement in favour of the Group pursuant to which OCG UK and OCG HK irrevocably and unconditionally confirm and consent that, in consideration of a lump sum payment of HK$1.00, the Group shall have the right, without further payment, to use the trademarks as set out in the paragraph headed "9. Intellectual property rights of the Group" of Appendix V to this prospectus and to register such trademarks at the relevant jurisdictions.

II. Continuing Connected Transaction

The following connected transaction has been and is expected to continue to be carried out between the Group and its connected persons following the listing of the Shares:

Non-exempt continuing connected transaction

The following continuing connected transaction is subject to reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Rule 20.34(2) of the GEM Listing Rules.

Administrative Service Agreement with OCG HK

Pursuant to an administrative service agreement dated 30 January 2009 entered into between OCG HK and OCG China (BVI) (the "OCG HK Administrative Service Agreement"), OCG HK agreed to provide certain administrative support services, including sharing of salary expenses for staff, provision of general and administrative services and provision of office equipment, to the Group. The OCG HK Administrative Service Agreement is initially for a term of 2 years and 2 months commencing from 1 February 2009 to 31 March 2011 and is terminable by either party upon giving of 30 days' prior written notice to the other party. The monthly service fee payable by OCG China (BVI) to OCG HK in respect thereof is HK$32,000 per month for the first 2 months and HK$35,000

per month for the remaining term, which is payable within 14 Business Days upon OCG China (BVI)'s receipt of the invoice from OCG HK. The monthly service fee is subject to downward adjustment in the event that the number of staff as set out in the OCG HK Administrative Service Agreement is reduced. The OCG HK Administrative Service Agreement does not cover the consulting services of senior management personnel shared between the Group and OCG HK (already discontinued) as mentioned under note 23 to the Accountants' Report in Appendix I to this prospectus.

By a supplemental agreement to the OCG HK Administrative Service Agreement dated 26 May 2009 (together with the OCG HK Administrative Service Agreement, the "Supplemented OCG HK Administrative Service Agreement"), OCG HK and OCG China (BVI) agreed to extend the OCG HK Administrative Service Agreement for a further period of ten (10) months such that the term thereof is for three years commencing from 1 February 2009 and expiring on 31 January 2012. As the Hong Kong – based executive manager has resigned with effect from 1 April 2009, the monthly service fee payable by OCG China (BVI) to OCG HK in respect thereof has also been amended under the supplemental agreement to a maximum amount of HK$23,000 from 1 April 2009 to 31 January 2012.

As provided under the supplemental agreement, the respective service fees of HK$32,000 (for the period from 1 February 2009 to 31 March 2009) and HK$23,000 (for the period from 1 April 2009 to 31 January 2012) are the maximum amounts payable by OCG China (BVI) to OCG HK.

As mentioned under note 23 to the accountants' report in Appendix I to the Prospectus, the administrative service fee payable to OCG HK for the year ended 31 March 2009 is HK$57,560, with an immaterial variance of HK$6,440 as compared with the agreed maximum amount of HK$64,000. The Directors confirmed that such variance arose because OCG HK charged the Group for the administrative service at actual costs basis prior to the listing of the Shares on GEM.

The Directors (including the independent non-executive Directors) are of the view that the Supplemented OCG HK Administrative Service Agreement and the transaction thereunder have been and shall be entered into in the ordinary and usual course of business of the Group. Moreover, the Directors (including the independent non-executive Directors) consider that the Supplemented OCG HK Administrative Service Agreement and the transaction thereunder have been and shall be entered into by the Group on normal commercial terms and that the terms of the Supplemented OCG HK Administrative Service Agreement and the transaction thereunder including the monthly service fee payable under the Supplemented OCG HK Administrative Service Agreement, which has been determined with reference to the estimated costs and expenses to be incurred by OCG HK for the provision of the relevant services under the Supplemented OCG HK Administrative Service Agreement, are fair and reasonable. The Directors also consider that the arrangements under the Supplemented OCG HK Administrative Service Agreement are cost effective and beneficial to the Group, as they will enable the Group to benefit from the economy of scale under such arrangements. Furthermore, the Directors (including the independent non-executive Directors) consider that the caps are fair and reasonable and in the interests

of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) consider that the Supplemented OCG HK Administrative Service Agreement and the transaction thereunder are in the interests of the Company and the Shareholders as a whole.

The Directors expect that the aggregate service fees payable by OCG China (BVI) to OCG HK under the Supplemented OCG HK Administrative Service Agreement for (i) each of the two years ending 31 March 2010 and 2011 respectively and (ii) the period from 1 April 2011 to 31 January 2012 will not exceed the maximum caps of (i) HK$276,000 and (ii) HK$230,000 respectively, which are determined by reference to the terms of the Supplemented OCG HK Administrative Service Agreement and a 50% allocation (based on the expected utilization of the resources by the Group and OCG HK) of the estimated costs and expenses (principally staff salary) to be incurred by OCG HK for the provision of the relevant services under the Supplemented OCG HK Administrative Service Agreement. The Directors consider that the caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of each of the two years ending 31 March 2010 and 2011 respectively, the proposed cap of HK$276,000 is based on the maximum monthly administrative charge of HK$23,000 payable under the Supplemented OCG HK Administrative Service Agreement, given that there are twelve calendar months in each of these two years.

In respect of the period from 1 April 2011 to 31 January 2012, the proposed cap of HK$230,000 is based on the maximum monthly administrative charge of HK$23,000 payable under the Supplemented OCG HK Administrative Service Agreement, given that there are ten calendar months in this period.

Having considered the above, the Sponsor concurs with the Directors' view that the Supplemented OCG HK Administrative Service Agreement and the transaction thereunder have been and shall be entered into in the ordinary and usual courses of the business of the Group, on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Sponsor also concurs with the Directors' view that the caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the GEM Listing Rules

For the transaction under the Supplemented OCG HK Administrative Service Agreement, each of the percentage ratios (other than the profits ratio) on an annual basis is more than 2.5% but less than 25% and the annual consideration is less than HK$10,000,000. Therefore, the transaction under the Supplemented OCG HK Administrative Service Agreement will fall within the threshold under Rule 20.34(2) and will be subject to the reporting and announcement requirements but will be exempted from the independent shareholders' approval requirements set out in Chapter 20 of the GEM Listing Rules.

III. Waiver from the Strict Compliance With Chapter 20 of the GEM Listing Rules

As mentioned above, the Group will continue to enter into the transaction described in the above paragraph headed "Continuing Connected Transaction" after the Shares are listed on GEM, which will constitute a continuing connected transaction of the Company.

For the transaction under the Supplemented OCG HK Administrative Service Agreement, each of the percentage ratios (other than the profits ratio) on an annual basis is more than 2.5% but less than 25% and the annual consideration is less than HK$10,000,000. Therefore, the transaction under the Supplemented OCG HK Administrative Service Agreement will fall within the threshold under Rule 20.34(2) and will be subject to the reporting and announcement requirements but will be exempted from the independent shareholders' approval requirements set out in Chapter 20 of the GEM Listing Rules.

The Directors set out the maximum aggregate value ("cap") for the above continuing connected transaction as follows:–

Service fee under the Administrative Service Agreement

Period	*Cap (HK$)*
1 April 2009 to 31 March 2010	276,000
1 April 2010 to 31 March 2011	276,000
1 April 2011 to 31 January 2012	230,000

As the transaction under the Supplemented OCG HK Administrative Service Agreement is essential to the Group's operation and allows the Group to benefit from the economy of scale, the Directors consider that compliance with the announcement requirement would be impracticable, would add unnecessary administrative costs to the Group and is unduly burdensome to the Company. Accordingly, the Directors have requested, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Rule 20.42(3) of the GEM Listing Rules. The Company will comply with Chapter 20 of the GEM Listing Rules including Rules 20.35(1), 20.35(2) and 20.36 to 20.40 of the GEM Listing Rules.

STATEMENT OF BUSINESS OBJECTIVES

BUSINESS OBJECTIVES AND STRATEGIES

The Group will continue to expand card acceptance and co-branded card partnership business in the forthcoming future. The Group aims to expand its CUP Card acceptance business to other countries and markets in accordance with the outgoing tourist traffic trends in the PRC, and the Group will expand its banking partnership in those markets to provide settlement bank services to the merchants there. Whilst working with BOCOM's Hainan provincial branch on The Pacific-OCG Golf Card, the Group is also exploring partnership with other banks in the PRC to expand its co-branded partnership card business.

Expansion of market share of co-branded card partnership business

To cope with the Group's co-branded card partnership business expansion, the strategic target of the Group is to enlarge its market share in the payment cards industry in the PRC. Geared up with successful experience in card marketing and services platform delivery, the Group is planning to launch different lifestyle card programs partnering with quality business partners and leading banks. In addition, the Group will further expand its merchant offers category in the PRC by networking with relevant merchants to form diversified services platforms to provide value-added quality services to lifestyle card members. More lifestyle cards are in the process of planning for launch in the PRC in 2009, which include a "Health and Beauty Card", a "Family Card", an "Entertainment Card" and the "Auto Card". Moreover, to further expand its lifestyle card market share in the PRC, the Group plans to expand to other key cities in the PRC including Beijing, Shanghai and in Southern China for quality marketing campaigns. The Group targets to promote The Pacific-OCG Golf Cards in 1 to 2 more cities in the PRC and launch 1 more lifestyle card in the PRC for the year ending 31 March 2010. As at the Latest Practicable Date, the Group has approached certain financial institutions to launch the lifestyle cards but such discussion are still at a preliminary stage and no conclusive agreement has been reached.

Expansion of geographical coverage of CUP Card acceptance business to other cities

Expecting a growing demand for use of payment cards, the Group is actively exploring the possibility to deploy POS card terminals that can accept CUP Cards in gaming and entertainment establishments in Macau to capture the anticipated high volume transactions of the Chinese tourists. The Group intends to expand its CUP Card acceptance services to locations with high Chinese tourists traffic, with an initial focus on southeast Asian countries, such as Thailand and Laos. Meanwhile, the Group targets to expand its card acceptance business in Macau in 2010.

In addition to the above, the Group targets to increase the Group's revenue in respect of the card acceptance business and maintain its CUP market share leader position in Thailand for the year ending 31 March 2010. For OCG China, the Group targets to generate more revenue from The Pacific-OCG Golf Cards and the newly-launched lifestyle cards in the PRC for the year ending 31 March 2010.

STATEMENT OF BUSINESS OBJECTIVES

IMPLEMENTATION PLANS

The Company will seek to implement the following business plans from the Latest Practicable Date to 31 March 2012.

Investors should note that the following plans and their respective scheduled times for attainment are formulated based on the bases and assumptions referred to in the paragraph headed "Bases and assumptions of business plans" below. These bases and assumptions are inherently subject to uncertainties and unpredictable factors, in particular the risk factors as set out in the section headed "Risk factors" of this prospectus. The Group's actual course of business may vary from the business objectives and strategies as set out earlier, particularly in relation to timing and amount of proceeds to be used. There can be no assurance that the Group's plans will materialise or will materialise in accordance with the expected time frame for the fulfilment of the business objectives of the Group. Consequently, the implementation plan set out below should be read with caution. The Directors will monitor the situation and constantly review the results of the Company's development and may adjust its business plans as and when appropriate.

FOR THE PERIOD FROM THE LATEST PRACTICABLE DATE TO 30 SEPTEMBER 2009

Co-branded card partnership business

– OCG China will work with BOCOM's Hainan provincial branch for the expansion of Group's promotion campaigns in Hainan.

Card acceptance business

– OCG Thailand will continue to play a leadership role in expanding CUP acceptance services and coverage in Thailand, and plans to further expand the Group's merchant's network in Phuket and Chiang Mai, Thailand.

FOR THE PERIOD FROM OCTOBER 2009 TO MARCH 2010

Co-branded card partnership business

– OCG China will further expand the co-branded card partnership business with another major bank.

– OCG China will work with BOCOM to expand customer coverage of the Pacific-OCG Golf Debit Card and Pacific-OCG Golf Credit Card in Shanghai/Beijing.

– OCG China plans to further expand the lifestyle co-branded card partnership business with another major bank to launch another lifestyle card in a major city of the PRC, most likely to be a Health and Beauty Card in Shanghai.

STATEMENT OF BUSINESS OBJECTIVES

Card acceptance business

Further strengthen the established CUP market share leadership

– OCG Thailand will continue to play a leadership role in expanding CUP Card acceptance services and coverage in Thailand and plans to establish a comprehensive merchants' network throughout major tourist areas in Thailand.

Further expand the CUP Card acceptance network

– The Group will expand its merchants' base in processing CUP Card acceptance services in Laos.

FOR THE PERIOD FROM APRIL 2010 TO SEPTEMBER 2010

Co-branded card partnership business

Further strengthen the lifestyle cards business

– OCG China plans to work with another bank to launch another lifestyle card in a major city in the PRC, most likely to be a Family Card in Beijing.

– OCG China intends to work with BOCOM to launch both the Pacific-OCG Golf Debit Card and Pacific-OCG Golf Credit Card in Southern China.

– OCG China will extend the Health and Beauty Card business from Shanghai to Beijing.

– OCG China will work with another bank in the PRC to launch another lifestyle card in a major city in the PRC, most likely to be an Entertainment Card in Southern China.

Card acceptance business

– The Group plans to continue to expand its merchants' base in processing CUP Card acceptance services in Laos.

FOR THE PERIOD FROM OCTOBER 2010 TO MARCH 2011

Co-branded card partnership business

Further strengthen the Group's established lifestyle cards business

– OCG China will extend the Family Card from Beijing to Shanghai by partnership with local banks.

– OCG China will extend the Health and Beauty Card business from Beijing to Southern China by partnership with local banks.

– OCG China will extend the Entertainment Card from Southern China to Beijing/Shanghai by partnership with local banks.

Card acceptance business

Further expand the CUP acceptance network

– The Group will expand its merchants' base for processing CUP Card acceptance services in Macau.

FOR THE PERIOD FROM APRIL 2011 TO SEPTEMBER 2011

Co-branded card partnership business

Further strengthen the Group's established lifestyle cards business

– OCG China will extend the Family Card from Shanghai to Southern China by partnership with local banks.

Card acceptance business

Further expand the CUP Card acceptance network

– The Group will continue to expand its merchants' base for processing CUP Card acceptance services in Macau.

FOR THE PERIOD FROM OCTOBER 2011 TO MARCH 2012

Co-branded card partnership business

Further strengthen the Group's established lifestyle cards business

– OCG China plans to expand the co-branded card partnership with another major bank to launch a new lifestyle card.

Card acceptance business

Further expand the CUP Card acceptance network

– The Group will continue to expand its merchants' base for processing CUP Card acceptance services in Asia, except Hong Kong.

STATEMENT OF BUSINESS OBJECTIVES

BASES AND ASSUMPTIONS

General assumptions

The following summarizes the general assumptions in relation to the Group's business plans and the estimated application of net proceeds from the New Issue for the period to March 2012:

1. there will be no material changes in the existing political, legal, fiscal or economic conditions in Hong Kong, Thailand, Laos, Macau and the PRC in which members of the Group carry on business or to which they sell their products services;

2. there will be no material changes in the bases or rates of taxation applicable to the activities of the Group; and

3. there will be no material changes in interest rates or exchange rates from those currently prevailing.

Specific assumptions

The following summarises the specific assumptions associated with the Group's current business activities in relation to the business plan and the estimated application of the net proceeds of the Group for the period from the Latest Practicable Date to 31 March 2012:

1. the Group will be able to obtain all necessary approvals from the relevant government authorities for its business operations and products; and

2. the Group will not be adversely affected by any of the risk factors set out in the section headed "Risk factors" of this prospectus.

DIRECTORS

Executive Director

Mr. Yu Chun Fai (余振輝), aged 46, was the founder and the Chairman of the Company. He founded OCG HK in November 2001. He leads a team of dedicated employees with extensive industry knowledge and experience, and oversees the Group's card payment business. Mr. Yu is responsible for the Group's strategic business development as well as day-to-day management. Mr. Yu has over 8 years of experience in the card payment industry and 12 years' experience in the financial services and card industry. Mr. Yu established the Group's vision of being a successful lifestyle card and payment business entity, with the following experience he brought to the Group. Mr. Yu is also the chairman of the Group's compliance committee.

From 1988 to 1990, Mr. Yu was a manager of American Express in Hong Kong. Mr. Yu started his card and payment career with American Express International, Inc. since graduation from university. He started at corporate card department which he was responsible to promote corporate card to major corporations in Hong Kong. Mr. Yu was later promoted to merchants relationship manager which he was responsible to promote American Express card acceptance benefits to card acceptance merchants in Hong Kong. In 1990, Mr. Yu was the manager of Visa International Consumer Products Group and in 1992, Mr. Yu was employed by Visa International Service. From 1993 to 1994, he worked in Manhattan Card Co. Limited (a subsidiary of The Chase Manhattan Bank, N.A.) and was responsible for the direct card marketing programs to lifestyle customers. From 1994 to 1998, Mr. Yu was the head of fund marketing of Dresdner RCM Global Investors Asia Ltd, he was responsible for regional funds marketing, key roles include: (i) promotion of investment mutual funds to retail investors directly and setting up the investment services centre in Hong Kong, (ii) development of productive funds distribution channels and setting up sales force by working with banks distribution network, brokers and financial advisers network, and insurance companies sales force network, (iii) development of regional funds distribution network and the distribution partnership with local banks or financial institutions and (iv) introduction of the investment credit card in which cardmembers could pay for funds investment by using the investment credit card. From 1998 to 1999, he was a vice president and marketing director of AIG Asset Management Co. (Asia) Ltd, where he was responsible for the financial investment and insurance services through consumer finance marketing with financial advisers. From 1999 to 2002, he was a vice president at Morgan Stanley Asia Limited and was responsible for the financial investment services through marketing investment products to high net worth individuals and financial institutions.

He holds a bachelor of business administration degree from North Texas State University, United States. Mr. Yu is an independent non-executive director of New World Department Store China Limited, a company listed on the Main Board of the Stock Exchange. Mr. Yu is also a director of OCG UK, a company listed on PLUS. Save as disclosed, Mr. Yu had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Non-executive Director

Ms. Wong Lai Chun (王麗珍), aged 53, joined the Group in December 2006. Ms. Wong is a director of OCG UK, a company listed on PLUS, focusing on providing business development advice. Ms. Wong is the founder of Sup-AAA District (the name of her operating team/district) in the agency force of American International Assurance Company (Bermuda) Ltd. which is the subsidiary of AIG. She is head of the district and an agency building expert. She is running this front line life insurance selling business over 25 years and has started in life insurance business after graduated from Hong Kong Baptist College with a diploma in Business Management. Ms. Wong is still engaged in the insurance business. She brings professional insurance and financial services experience through working at American International Assurance Company (Bermuda) Ltd. which provides diversified financial and insurance products, including AIG Credit Card. She is also a qualified Chartered Insurance Agency Manager ("CIAM"). Save as disclosed above, Ms. Wong had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Independent non-executive Directors

Mr. Chan Chun Wai (陳振偉), aged 37, joined the Group in August 2009. Mr. Chan is the chairman of the Group's audit committee and internal control committee, a member of the Group's remuneration committee, nomination committee and compliance committee. Mr. Chan is the director of Yeung, Chan & Associates CPA Limited and had worked in international accounting firms before commencing his own practice. He is an independent non-executive director of Hans Energy Company Limited and Wai Chun Mining Industry Group Company Limited, companies listed on the Main Board of the Stock Exchange and of Honbridge Holdings Limited, a company listed on the GEM of the Stock Exchange, and China Nutrifruit Group Limited, a company listed on Over-The-Counter Bulletin Board Exchange in the United States. Save as disclosed above, Mr. Chan had not held any directorship in any other public listed companies or had any other major appointment in the last three years. Mr. Chan has extensive experience in assurance and business advisory services. Mr. Chan graduated from the University of New South Wales, Australia with a bachelor of commerce and obtained a master of business administration from the University of Manchester. He is a certified public accountant (practising) of the Hong Kong Institute of Certified Public Accountants, and a CPA Australia. Mr. Chan brings solid accounting and finance knowledge and listed company experience to the Group.

Mr. Chan Wing Cheung, Joseph (陳永祥), aged 44, joined the Group in August 2009. Mr. Chan is also the chairman of the Group's nomination committee, a member of the Group's audit committee, remuneration committee, internal control committee and compliance committee. Mr. Chan is a chief executive officer and director of AsiaPay (HK) Ltd. ("AsiaPay"), and a director of AsiaPay Network Limited, AsiaPay Limited (incorporated in Hong Kong), AsiaPay Technology Limited, Asia Pay (Thailand) Limited, AsiaPay Payment Technology Pte. Ltd., AsiaPay Payment Technology Corp. (incorporated in the Philippines and restructuring work is in progress to convert it from a local company to a foreign entity), AsiaPay Limited (incorporated in England and Wales), AsiaPay Limited (licensed in Mauritius), 聯款通電子科技(廣州)有限公司, AsiaPay Inc., AsiaPay Limited (incorporated in BVI), AsiaPay Group Holdings Limited and AsiaPay Limited (incorporated in Macau) (collectively, the "AsiaPay Companies"). Mr. Chan also has 100% direct or indirect interests

in the AsiaPay Companies other than the 95% direct interest in AsiaPay Limited (incorporated in BVI) which is the shareholder of AsiaPay and AsiaPay Network Limited, 95% indirect interest in AsiaPay and AsiaPay Network Limited, 49% indirect interest in Asia Pay (Thailand) Limited, 39% direct interest in AsiaPay Payment Technology Corp. and 96% direct interest in AsiaPay Limited (incorporated in Macau). AsiaPay, as an electronic payment service, solution and technology house in Asia, provides a comprehensive suite of latest secure, scalable, function-rich real-time payment processing capabilities of credit card and debit cards whether online, wireless, call center or retail for banks, small and medium enterprises, and charity organizations. AsiaPay principally offers payment solutions for e-tailers (merchants conducting business on the internet) to receive payments via the internet, phone or mail order. AsiaPay's business facilitates payments made by internet shoppers holding credit cards or debit cards at online stores. The AsiaPay Companies are engaged in the provision of related payment processing services and business applications for merchants through the internet, phone or mail order and payment technology for banks which are not in competition with the Group. Due to the fundamental difference between the payment system of the AsiaPay Companies which is built upon a platform based on the internet, phone and mail order compared to the payment system of the Group in respect of its card acceptance system which is based on a network of physical POS card terminals installed the merchants' premises, the Directors do not consider the business of the AsiaPay Companies are in competition with the Group. The Sponsor concurs with the Directors' view stated above. Mr. Chan Wing has extensive experience on payment service. Mr. Chan has more than 15 years of experience in the banking, finance and electronic payment industries. Prior to joining AsiaPay, Mr. Chan took various technical and management position at Baring International Asset Administration Limited, Citibank N.A., Bank of America (Asia) Ltd and Dah Sing Bank, Limited. Mr. Chan brings professional experience through establishment of AsiaPay, with primary focus on web-payment platform. He graduated from Monash University in Australia with a bachelor degree in science and master degree in economics. Mr. Chan has not held any directorship in any public listed companies or had any other major appointment in the last three years.

Mr. Tsang Siu Tung (曾少東), aged 47, joined the Group in August 2009. Mr. Tsang is a Class A – Professional since January 2004. The Class A – Professional is offered by Professional Golf Teacher's Academy ("PGTA"), a leading golf training and certification school in the PRC. The holders of Class A – Professional have to complete the training and certification process for PGTA professional status. These requirements include a comprehensive 6-day training course that certifies them to be golf instructor and upon successful completion of four critical areas of expertise including passing a written examination, oral examination, the golf players ability test and golf professionalism & etiquette. Mr. Tsang has been trading as Tung Tat Industrial Company since 1996. His advice and strategy thinking is highly valuable to Group's existing co-branded card business and issuing other lifestyle cards in the future. Mr. Tsang is also the chairman of the Group's remuneration committee, a member of the Group's audit committee, nomination committee, internal control committee and compliance committee. Mr. Tsang had not held any directorship in any public listed companies or had any other major appointment in the last three years. Mr. Tsang is a not a holder of Pacific-OCG Golf Card.

Particulars of service contracts

Mr. Yu has entered into a director's service agreement dated 14 August 2009 with the Company under which he has been appointed to act as an executive director for an initial term of three years commencing from the date of first dealing in the Shares on GEM, and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other side. The executive Director is entitled to the basic salary and housing allowance set out below (subject to a maximum annual increment of 30% of the annual salary at the discretion of the remuneration committee of the Company). In addition, the executive Director is also entitled, in respect of the financial year ending 31 March 2010 and each financial year thereafter, to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all executive Directors for any financial year of the Company may not exceed 5% of the combined audited net profits of the Group (after taxation and minority interests but before the payment of such management bonuses and extraordinary or exceptional items) in respect of that financial year. An executive Director may not vote on any resolution of the Directors regarding the amount of management bonus payable to him. The current basic annual salary and housing allowance of the executive Director is as follows:

Name	**Amount**
Mr. Yu	HK$960,000

The non-executive Director and the independent non-executive Directors have been appointed for a term of one year expiring on 13 August 2010. Save for the Directors' fees of HK$100,000 per annum, none of the non-executive Director and the independent non-executive Directors is expected to receive any other remuneration (save for the share options that may be granted) for holding their offices as the non-executive Director and the independent non-executive Directors.

The Directors' remuneration (including any share options that may be granted to the Directors) is determined with reference to the results of the Group and the performance of the individual Director.

SENIOR MANAGEMENT

Mr. Sung Hak Keung, Andy (宋克强), aged 35, joined the Group in January 2009. Mr. Sung is a vice president of the Group responsible for accounting and financial management of the Group and he is employed on a full-time basis. Mr. Sung has over 9 years of experience in auditing, accounting, corporate finance and general management. Prior to joining the Group, Mr. Sung worked at Ernst & Young and China Grand Forestry Green Resources Group Limited (formerly known as Good Fellow Group Limited), a company listed on the Main Board of the Stock Exchange. Mr. Sung is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. Mr. Sung brings solid accounting and finance knowledge and listing company experience to the Group. He holds a Master of Business Administration Degree from University of Manchester in the United Kingdom and a bachelor of commerce degree from University of Toronto in Canada.

Mr. Phuri Khamphidet, aged 42, whose former name was Sawaeng Khamphidet before 27 September 2000, joined the Group in January 2005. He is the merchant business manager of OCG Thailand. Mr. Khamphidet takes the leading role for the development of the Group's CUP card acceptance business in Thailand. Mr. Khamphidet has strong experience in credit card business development and marketing with more than 14 years of experience in merchant acquiring business in high profile financial institutions including Citibank N.A. and Diners Club (Thailand) Co., Ltd.. He brings quality local market knowledge, network and working experience to the Group, with primary focus on merchant relationship building and marketing. Mr. Khamphidet obtained the bachelor degree in political science from Ramkhamhaeng University in Thailand in 1988.

Ms. Chen Xiao Min, Sandy (陳小敏), aged 33, joined the Group in July 2007. She is the assistant manager of OCG China. She worked in 海口亞奧典當有限責任公司 in 2006 as administrative manager. She graduated from Broadcasting and Arts College of the Chengdu Institute of Technology (成都理工學院廣播影視與藝術學院) holding a bachelor degree in Decorative Arts Design (裝潢藝術設計文學學士).

Mr. Panthong Limpkittisin, aged 39, joined OCG Thailand in December 2004 as the operations controller who is in charge of the operation process for card acceptance business of OCG Thailand. Mr. Limpkittisin has many years of working experience since 1990 in credit card industry such as SCB Business Service Company Limited, a subsidiary of Siam Commercial Bank Public Company Limited, Standard Chartered Bank, Citibank N.A. and AIG Card (Thailand) Company Limited. He has in-depth professional knowledge in settlement, fraud analysis, chargeback, customer service, merchant service, card production and transaction processing. He brings quality local market knowledge, network and working experience to the Group, with primary focus on payment and transaction management system and banking experience. Mr. Limpkittisin holds a master of business administration in general management from Ramkhamhaeng University.

COMPANY SECRETARY

Mr. Sung Hak Keung, Andy

COMPLIANCE ADVISER

SBI E2-Capital will assume responsibility for acting as the Group's compliance adviser, including advising the Board on compliance with the GEM Listing Rules. SBI E2-Capital is a licensed corporation for Types 1 and 6 regulated activities (dealing in securities, and advising on corporate finance) under the SFO.

AUDIT COMMITTEE

The Company has established an audit committee on 14 August 2009, comprising Mr. Chan Chun Wai, Mr. Tsang Siu Tung and Mr. Chan Wing Cheung, Joseph, all of whom are independent non-executive Directors, with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. 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 report and quarterly reports and provide advice and comments thereon to the Board and (ii) to review and supervise the financial reporting process and internal control system of the Group.

REMUNERATION COMMITTEE

The Group established a remuneration committee on [•••] 2009 which considers and recommends to the Group's board of Directors the remuneration and other benefits paid by the Group to the Group's Directors and senior management. The remuneration of all of the Group's Directors and senior management is subject to regular monitoring by the remuneration committee to ensure that levels of their remuneration and compensation are appropriate.

The Group's remuneration committee comprises three independent non-executive Directors, namely Mr. Chan Chun Wai, Mr. Tsang Siu Tung and Mr. Chan Wing Cheung, Joseph. Mr. Tsang Siu Tung is the chairman of the remuneration committee.

NOMINATION COMMITTEE

The Group established a nomination committee on [•••] 2009 which considers and recommends to the Group's board of Directors suitably qualified persons to become the Group's Directors and is responsible for reviewing the structure, size and composition of the Group's board of Directors on a regular basis.

The Group's nomination committee comprises three independent non-executive Directors, namely Mr. Chan Chun Wai, Mr. Tsang Siu Tung and Mr. Chan Wing Cheung, Joseph. Mr. Chan Wing Cheung, Joseph is the chairman of the nomination committee.

INTERNAL CONTROL COMMITTEE

The Group established an internal control committee on [•••] 2009 to review the Company's internal control procedures on a monthly basis to ensure that proper and appropriate control in respect of the Group's finance, operations and human resources is in place.

The internal control committee comprises Mr. Chan Chun Wai, Mr. Tsang Siu Tung and Mr. Chan Wing Cheung, Joseph, the three independent non-executive Directors. The chairman of the Group's internal control committee is Mr. Chan Chun Wai.

COMPLIANCE COMMITTEE

The Group established a compliance committee on [•••] 2009 to ensure the Group's compliance of rules and regulations applicable to the Group and in particular the GEM Listing Rules, and to monitor the preference shares structure arrangement of OCG Thailand as well as the Group's tax affairs. The compliance committee will convene monthly meetings and report directly to the Board on the compliance matters of the Group. It will also seek advice from the Company's compliance adviser and the legal advisers to be retained from time to time.

The compliance committee comprises Mr. Yu, the executive Director and compliance officer of the Company, together with Mr. Chan Chun Wai (also a compliance officer), Mr. Chan Wing Cheung, Joseph and Mr. Tsang Siu Tung, all of whom being the independent non-executive Directors. Mr. Yu is the chairman of the Group's compliance committee.

STAFF

As at 31 March 2007, the Group had a total staff of 10, of whom 2 were based in Hong Kong, 4 were based in Thailand and the remaining staff were based in the PRC. A breakdown of the number of staff of the Group by function is as follow:

Function	**Hong Kong**	**PRC**	**Thailand**
Management	2	–	1
Sales and marketing	–	3	2
Finance and accounting	–	1	–
General administration	–	–	1
	2	4	4

As at 31 March 2008, the Group had a total staff of 12, of whom 3 were based in Hong Kong, 4 were based in Thailand and the remaining staff were based in the PRC. A breakdown of the number of staff of the Group by function is as follow:

Function	**Hong Kong**	**PRC**	**Thailand**
Management	2	–	1
Sales and marketing	–	3	2
Finance and accounting	1	1	–
General administration	–	1	1
	3	5	4

As at 31 March 2009, the Group had a total staff of 10, of whom 3 were based in Hong Kong, 5 were based in Thailand and the remaining staff were based in the PRC. A breakdown of the number of staff of the Group by function is as follow:

Function	Hong Kong	PRC	Thailand
Management	2	–	1
Sales and marketing	–	1	3
Finance and accounting	1	–	–
General administration	–	1	1
	3	2	5

As at the Latest Practicable Date, the Group had a total staff of 11, of whom 3 were based in Hong Kong, 5 were based in Thailand and the remaining staff based in the PRC. A breakdown of the number of staff of the Group by function is as follow:

Function	Hong Kong	PRC	Thailand
Management	2	–	1
Sales and marketing	–	1	3
Finance and accounting	1	1	–
General administration	–	1	1
	3	3	5

In addition, the Group also shares the salary expenses of 3 personnels of OCG HK under the administrative service agreement dated 30 January 2009 with effect from 1 February 2009 onwards. As at the Latest Practicable Date, such personnel comprises 1 person responsible for sales and marketing in the PRC and Thailand and 1 person responsible for finance and accounting.

The Directors confirm that the Group is in compliance with the currently applicable labour and safety regulations in the PRC and Thailand in all material respects and is not in breach of any of such laws and regulations.

During the three years ended 31 March 2009, the five highest paid individuals, none of them being a Director, received salaries and allowances of approximately HK$673,854, HK$798,405 and HK$882,416 respectively. The increase in salaries and allowances was mainly due to the increase of salaries of OCG Thailand's senior management and part-time sales executive of the co-branded card business.

WORK REGULATIONS

As OCG Thailand has less than 10 employees (currently it has 5 employees), OCG Thailand is not required to submit its Working Regulations for record with the Labor Office according to the Labor Protection Act. Even though OCG Thailand has less than 10 employees, the Company's Thai legal advisers confirmed that OCG Thailand sets its Working Regulations and such Working Regulations do not violate any prevailing law.

SOCIAL SECURITY

The Group makes social security fund payments in accordance with the applicable Thai laws and regulations. The Social Security Act of Thailand stipulates that an employer with one or more employees must contribute to the social security fund. This fund is financed by equal contributions from employers, employees and the government. The employer is required to deduct 5% of the employees' wages (subject to a cap of Baht 750 (equivalent to approximately HK$165) per month) and also contribute an amount equivalent to 5% of the employees monthly salary (subject to a cap of Baht 750 (equivalent to approximately HK$165) per month) to the fund within the 15th day of the subsequent month. This fund covers injury, illness or death outside the course of employment. The benefits in case of injury and illness outside the course of employment shall include medical and hospitalisation expenses. In addition, the insured employee is eligible to receive compensation for the loss of income caused by disability from the injury or illness. According to the Company's Thai legal advisers, the Group has fully complied with all applicable laws and regulations in relation to social security fund.

The Group makes social security contributions, namely in relation to pension scheme, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance in accordance with the applicable PRC laws and regulations. The amount of such contributions made by the Group for the three years ended 31 March 2009 was approximately RMB14,032, RMB24,944 and RMB37,313 respectively. The PRC legal advisers of the Company are of the opinion that OCG China did not pay the social insurance contribution in full within the stipulated time frame in accordance with the laws of the PRC until April 2008. Under the laws of the PRC, if the social insurance contribution is not paid in full within the stipulated timeframe, it may expose OCG China to claims of employees and administrative penalty of up to RMB20,000 (equivalent to approximately HK$22,800) and a certain amount of late charge of 0.2% per day. The Directors confirm that, as the Latest Practicable Date, OCG China has not received any notification from the relevant authority of the imposition of any penalty in respect of the aforementioned late payment of the social insurance, nor has it received any claims from employees. The Directors further confirm that the shortfall in required contribution, which is not material, was finally fully paid in April 2008 and reported in the Group's financial statements for the year ended 31 March 2009.

The Company's legal advisers as to PRC laws believe that there exists the possibility that the relevant authority may charge the Group retrospectively, subject to a statutory time limitation of two (2) years as provided under the Administrative Punishment Law of the PRC (中華人民共和國行政處罰法). However, as confirmed by the Directors, OCG China has never received any notices regarding claims from employees or administrative penalties from the government, and it has already paid the shortfall. Furthermore, OCG China obtained a letter dated 30 April 2009 and issued by 海口市社

會保險事業局 (Social Insurance Bureau of Haikou City) confirming that OCG China has made all required contributions to compulsory social insurance in accordance with applicable law of the PRC. In view of the above, the Company's PRC legal advisers believe that the possibility that penalties will be imposed on OCG China for its past non-compliance is insignificant. In any event, each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has given an indemnity in favour of the Group in respect of any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the late payment of the social insurance contribution by OCG China on or before the date on which the Placing becomes unconditional. Based on the above, the Directors estimate that the maximum exposure to the Group covered by this indemnity is approximately HK$74,986 comprising (i) the administrative penalty of RMB20,000 (equivalent to approximately HK$22,800) and (ii) the estimated late charge of approximately RMB45,777 (equivalent to approximately HK$52,186). The detailed basis of the estimated late charge up to 31 March 2008 are as follows:

Number of employees involved	**Weighted average number of days in outstanding shortfall**	**Shortfall in contributions** *(RMB)*	**Estimated late charges (0.2% per day)** *(RMB)*
3-5	369 days	62,028	**45,777**

MEDICAL INSURANCE

OCG Thailand provides medical insurance to 5 employees. Such medical insurance is not required by law since employees can seek certain medical services from the Social Security Fund. However, the Directors believe that such medical insurance provided by OCG Thailand will enable the employees to obtain medical services much more conveniently than those provided by the Social Security Fund.

THIRD PARTIES, PROPERTIES AND BUSINESS INSURANCE

The Company's Thai legal advisers have not found any third party and property insurance in respect of OCG Thailand. Also, they do not find any law of Thailand requiring the provision of a particular insurance for the business of OCG Thailand.

Similar to a number of commercial companies in Thailand, the third party insurance, properties insurance and business insurance are not procured by companies since they are not required by law.

The relevant law for determining as to whether a company must be liable for such damages is the law of tort under the Civil and Commercial Code; for example, an employer must be liable to a third person for tort act, or legally wrongful act, conducted by an employee during a course of employment.

PROVIDENT FUND

OCG Thailand does not provide a provident fund for its employees. The applicable law in Thailand provides that employers and employees may agree to establish a provident fund on a voluntary basis.

As advised by the Thai legal advisers of OCG Thailand, OCG Thailand's operations are in compliance with the currently applicable labour and safety regulations in all respects.

To the best knowledge of the Directors, the Group has complied with the applicable employment laws and regulations in Thailand in all material respects and is not in breach of such laws and regulations.

The Directors confirm that the Group is engaged in the financial services sector with no industrial manufacturing. Accordingly, the Group has a clean safety record since the date of establishment and there has not been any non-compliance record in such respect.

The Directors will ensure that the Company and its subsidiaries continue to comply with the laws relating to labour and employee welfare in their respective jurisdictions including systems of contribution of social insurance and society security fund or any other types of retirement or superannuation schemes as required by the relevant jurisdictions. The Directors will also ensure that adequate provisions are made and that accurate information is reported to the relevant authorities, and that such obligations are discharged and settled on a timely basis. In cases of doubt, the Board will seek the advice of qualified professionals.

REMUNERATION POLICIES AND STAFF TRAINING

The Group develops its human resources policies and procedures based on performance, merit and market conditions. Discretionary bonus is linked to the performance of the Group as well as individual performance. The benefits provided by the Group to its employees include discretionary bonuses, medical schemes and share options. The Group also arranges its staff for training to enhance their skills and knowledge.

LABOUR RELATIONS

The Group maintains good relations with its staff and has not encountered any major difficulties in its recruitment and retention of staff. There has not been any interruption to the Group's operations due to labour disputes in the past.

SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by the sole shareholder of the Company dated [•••] 2009, the Company has conditionally adopted the Share Option Scheme whereby full time employees of the Group (including executive or independent non-executive Directors) may be granted options to subscribe for Shares. The Directors consider that the adoption of the Share Option Scheme will assist the Group in the recruitment and retention of high calibre executives and employees. The principal terms of the Share Option Scheme are summarised in the section headed "Share Option Scheme" in Appendix V to this prospectus.

DIRECTOR OF OCG CHINA

OCG China, a subsidiary of the Company, did not appoint any director until 10 January 2007. According to the Company's legal advisers as to the laws of the PRC, that was not in compliance with the laws of the PRC. However, there is no penalty or punishment provided under the laws of the PRC for the lack of director in history. Considering that OCG China has (i) appointed a director, (ii) registered such director with Haikou Administration for Industry and Commerce (海口市工商行政管理局) and (iii) passed the annual inspection of Haikou Administration Industry and Commerce (海口市工商行政管理局) in 2008, the Company's legal advisers as to the laws of the PRC are of the view that the possibility that OCG China will be subject to the imposition of any penalties or punishment for the lack of director in history is insignificant. Each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun has given an indemnity in favour of the Group to indemnify the Group against any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the non-appointment of director of OCG China from the date of its establishment until 10 January 2007. Based on the above, the estimated exposure to the Group covered by this indemnity is approximately nil.

ESTIMATED MAXIMUM EXPOSURE UNDER THE DEED OF INDEMNITY

Based on the Directors' estimated maximum exposure arising out of the indemnities in respect of (i) the cash coupons issued by merchants as set out in the paragraph headed "Co-branded card partnership business" in the section headed "Business" of this prospectus, (ii) the non-registration of the co-operative agreement under the paragraph headed "Property interests" in the section headed "Business" of this prospectus, (iii) the Structured Contracts Indemnity, (iv) the Preference Shares Structure Arrangement Indemnity; and (v) the late payment of social insurance contribution under the paragraph headed "Social security" in this section, the Directors estimated that the estimated maximum exposure arising from the above indemnities is approximately HK$1,841,752 in aggregate.

The Directors believe that Mr. Yu and Ms. Wong Lai Chun have combined estimated net assets sufficient to cover their estimated maximum exposure under the various indemnities as mentioned above.

SUBSTANTIAL SHAREHOLDERS, INITIAL MANAGEMENT SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately following completion of the Placing and the Capitalisation Issue and taking no account of Shares which may be taken up under the Placing or upon the exercise of the Offer Size Adjustment Option, the following persons are able, or are deemed to be entitled, to exercise or control the exercise of 10% or more of the voting power at general meetings of the Company:

Name	Capacity	Number or attributable number of Shares held immediately after the Placing and the Capitalisation Issue	Percentage shareholding in the Company held immediately after the Placing and the Capitalisation Issue
OCG Asia	Beneficial owner *(Note 1)*	[•••]	[•••]%
OCG International	Interest in controlled corporation *(Note 1)*	[•••]	[•••]%
OCG UK	Interest in controlled corporation *(Note 1)*	[•••]	[•••]%
Straum Investments Limited	Interest in controlled corporation *(Note 1)*	[•••]	[•••]%
Mr. Yu	Beneficial owner and Interest in controlled corporation *(Notes 1 and 2)*	[•••]	[•••]%

Notes :

(1) OCG Asia is a company wholly-owned by OCG International which is in turn wholly-owned by OCG UK, a company incorporated in England and Wales. Straum Investments Limited is the controlling shareholder of OCG UK holding approximately 45.36% of its shareholding. Accordingly, each of OCG International, OCG UK and Straum Investments Limited is deemed to be interested in [•••] Shares held by OCG Asia under the SFO. The interests of OCG Asia, OCG International, OCG UK and Straum Investments Limited are in respect of the same [•••] Shares and duplicate with each other.

(2) Mr. Yu is the beneficial owner of [•••] Shares and is deemed to be interested in [•••] Shares held by OCG Asia under the SFO by virtue of his entire beneficial interests in Straum Investments Limited, a controlling shareholder of OCG UK.

SUBSTANTIAL SHAREHOLDERS, INITIAL MANAGEMENT SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

INITIAL MANAGEMENT SHAREHOLDERS

So far as the Directors are aware, immediately following completion of the Placing and the Capitalisation Issue and taking no account of Shares which may be taken up under the Placing or upon the exercise of the Offer Size Adjustment Option, the following persons are able, or are deemed to be entitled, to exercise or control the exercise of 5% or more of the voting power at general meetings of the company and are able, or are deemed to be able, as a practical matter, to direct or influence the management of the Company under the GEM Listing Rules:

Name	Number or attributable number of Shares held immediately after the Placing and the Capitalisation Issue	Percentage shareholding in the Company held immediately after the Placing and the Capitalisation Issue
OCG Asia	[•••]	[•••]%
Mr. Yu	[•••]	[•••]%
Ms. Wong Lai Chun	[•••]	[•••]%
Mr. Sung Hak Keung, Andy	[•••]	[•••]%

UNDERTAKINGS

Each of the Initial Management Shareholders has undertaken to the Company, the Sponsor, the Joint Lead Managers (for themselves and on behalf of the Co-lead Manager) and the Stock Exchange that for a period commencing on the date by reference to which disclosure of his/her/its shareholding and/or beneficial interest in the Shares is made in this prospectus and ending on the date which is 12 months from the Listing Date:

(a) save as provided in Rule 13.18 of the GEM Listing Rules, he/she/it shall not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (nor enter into any agreement to dispose of) any of his/her/its direct or indirect interest in any relevant securities of the Company in respect of which he/she/it is shown by this prospectus to be the beneficial owner (the "Relevant Securities") or otherwise create (nor enter into any agreement to create) nor permit the registered holder to create (nor enter into any agreement to create) any options, rights, interests or encumbrances in respect of any of the Relevant Securities and his/her/its direct or indirect interest therein;

(b) he/she/it shall place in escrow, with an escrow agent acceptable to the Stock Exchange, the Sponsor and the Joint Lead Managers, his/her/its Relevant Securities on terms acceptable to the Stock Exchange and the Joint Lead Managers;

(c) in the event that he/she/it pledges or charges any direct or indirect interest in the Relevant Securities under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules at any time during the relevant period set out above, he/she/it will inform the Company, the Sponsor and the Joint Lead Managers immediately thereafter, disclosing the details as required under the GEM Listing Rules including the number and class of securities being pledged or charged, the purpose for which the pledge or charge is made and any other relevant details, and in the event that the pledgee or chargee has disposed of or intends to dispose of any securities, details of the same, including the number of securities affected or to be affected;

(d) having pledged or charged any interest in the Relevant Securities under sub-paragraph (c) above, he/she/it will inform the Company, the Sponsor and the Joint Lead Managers immediately in the event he/she/it becomes aware that the pledgee(s) or chargee(s) has/have disposed of or intend(s) to dispose of such interest and of the number of the Relevant Securities affected.

Each of the Other Shareholders (other than Mr. Yu), Ms. Wong Lai Chun, Mr. Sung Hak Keung, Andy and Mr. Kanjanapas Shui Yiu Kelvin has undertaken with the Company, the Sponsor and the Joint Lead Managers and each of them that:

(a) he/she will not, and will procure that none of his/her associates, nominees or trustees holding in trust for him/her will during the period from and including the date of the Placing Agreement up to and including the date falling twelve months after the Listing Date (the "First Twelve Month Period"), sell, transfer or otherwise dispose of or create any rights (including, without limitation, by the creation of any option, charge or other encumbrance over) in respect of any of his/her Shares or any direct or indirect interest therein or any other shares or securities of the Company arising or deriving therefrom;

(b) during the First Twelve Month Period, he/she will not and will procure that none of his/her associates, nominees or trustees holding in trust for him/her will sell, transfer or otherwise dispose of or create any rights (including, without limitation, by the creation of any option, charge or other encumbrance (apart from charges created as security for loans)) over any such Shares or any interest in any shares in any company controlled by him/her which is directly or indirectly the beneficial owner of any such Shares or any direct or indirect interest therein beneficially owned by him/her, his/her associates, nominees or trustees immediately following completion of the Placing or any other Shares or securities of the Company arising or deriving therefrom (provided that such restriction shall not apply to any Shares which he/she or his/her associates may acquire or become interested in following the Listing Date); and

(c) on disposal of such Shares at any time during the expiry of the First Twelve Month Period, each of them will take all reasonable steps to ensure that any such disposal will not create a disorderly or false market.

SUBSTANTIAL SHAREHOLDERS, INITIAL MANAGEMENT SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

Save as disclosed above in the paragraphs headed "Substantial Shareholders" and "Initial Management Shareholders", the Directors confirm that, immediately following completion of the Placing and the Capitalisation Issue, but without taking into account (i) any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme and the Offer Size Adjustment Option; or (ii) any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates referred to in paragraph 3 headed "Written resolutions passed by the sole shareholder of the Company" in Appendix V to this prospectus, no person or group of persons who together will be entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company.

SHARE CAPITAL

SHARE CAPITAL

		HK$
Authorised:		
2,000,000,000	Shares	20,000,000
Shares issued and to be issued, fully paid or credited as fully paid:		
1,000,000	Shares in issue as at the date of this prospectus	10,000
[•••]	Shares to be issued under the Capitalisation Issue	[•••]
[•••]	Shares to be issued pursuant to the New Issue	[•••]
[•••]	Shares	[•••]

The above table assumes that the Capitalisation Issue and the Placing have become unconditional. In addition, it takes no account of any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued under the general mandate to allot and issue new Shares (see below) or which may be repurchased by the Company pursuant to the repurchase mandate (see below).

The minimum level of public float to be maintained by the Company at all times after listing, as required under Rule 11.23(1) of the GEM Listing Rules, is 25% of its share capital in issue from time to time.

RANKING

The Placing Shares will rank equally with all Shares in issue or to be issued as mentioned in this prospectus save for the entitlement under the Capitalisation Issue, and will qualify for all dividends or other distributions declared, made or paid in respect of a record date after the date of this prospectus.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the paragraph headed "Share Option Scheme" in Appendix V to this prospectus.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Placing and the Capitalisation Issue becoming unconditional, the Directors have been granted a general unconditional mandate to allot, issue and deal with unissued Shares in the share capital of the Company with a total nominal amount of not more than the sum of:–

1. 20% of the total nominal amount of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue; and

2. the aggregate nominal value of the share capital of the Company repurchased by the Company (if any).

The Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement or upon the exercise of the Offer Size Adjustment Option or any options that may be granted under the Share Option Scheme.

This mandate will expire:

– at the end of the Company's next annual general meeting; or

– at the end of the period within which the Company is required by any applicable law or its articles of association to hold its next annual general meeting; or

– when varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Placing and Capitalisation Issue becoming unconditional, the Directors have been granted a general unconditional mandate to exercise all the powers of the Company to repurchase Shares with a total nominal amount of not more than 10% of the total nominal amount of the share capital of the Company in issue immediately following completion of the Placing and Capitalisation Issue.

This mandate only relates to repurchases made on GEM, or any other stock exchange on which the Shares are listed (and which is recognised by the Hong Kong Securities and Futures Commission and the Stock Exchange for this purpose), and which are in accordance with the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed "Repurchase by the Company of its own securities" in Appendix V to this prospectus.

This mandate will expire:

– at the end of the Company's next annual general meeting; or

– at the end of the period within which the Company is required by any applicable law or its articles of association to hold its next annual general meeting; or

– when varied or revoked by an ordinary resolution of its shareholders of the Company in general meeting,

whichever is the earliest.

FINANCIAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS OF TRADING RECORD

Overview

Thailand:

The Group's business platform is derived from its cooperation with CUP. In 2004, OCG Thailand teamed up with CUP to develop the CUP Card acceptance business in Thailand. Thailand is the first market developed by the Group and one popular travel destination for visitors from the PRC. By teaming up with SCB, OCG Thailand utilised 470 POS card terminals that can accept CUP Cards in Thailand as at 31 March 2009. These POS card terminals are used for handling consumption by Chinese travellers using CUP Cards and the relevant transactions are cleared through CUP, SCB and OCG payment gateways.

PRC:

Seeing the market potential in the consumer finance and cards payment business in the PRC, OCG China was established in 2005 in order to expand the marketing of lifestyle payment cards from Hong Kong to the PRC by working with local major banking institutions in the PRC. OCG China and BOCOM's Hainan provincial branch launched The Pacific-OCG Golf Card in July 2005 and BOCOM had issued 30,640, 43,972 and 47,765 Pacific-OCG Golf Cards as at 31 March 2007, 31 March 2008 and 31 March 2009 respectively. The Pacific-OCG Golf Card was launched in Hainan Province, a major tourist destination in the PRC.

Factors affecting the Group's results of operations and financial condition

The major factors affecting the Group's results of operations and financial condition include the following:

Economic, political and social conditions, in Thailand

As the major source of the Group's revenue has been generated from Thailand, the global economic crisis, the projected violatility in the Thai economy in 2009 and continuing concern over political instability in Thailand may have a material adverse effect on the Group's operations and financial condition.

PRC's economic condition

The results of the Group's operations and financial condition are affected, inter alia, by the PRC's economic condition. The growth of the overall economy in the PRC has led to increase in personal wealth. Increased levels of disposable income among the PRC's burgeoning middle class have generally led to a growth in bank cards issuance and transaction volume.

Exchange rate environment

The Group undertakes most transactions dominated in foreign currencies which exposes it to exchange rate fluctuations. The Group is mainly exposed to RMB and Baht. The Group manages the foreign currency risk by closely monitoring the movement of the foreign currency rate and receiving foreign exchange rate discount income, being a discount to the spot exchange rate of US$ against Baht, from CUP to cover the Group for the volatility of Baht between the date of transaction and the settlement date. Pursuant to the CUP agreement dated 1 April 2006, CUP settles the transaction amount to OCG Thailand in US$ with the exchange rate quoted by Reuters as determined as spot rate (Beijing Reuters) at 10:00 am of the transaction, except Saturday and Sunday, less 0.5% of the spot rate to cover for the volatility of Baht.

The Thai government has imposed certain foreign capital inflows controls since December 2006 by creating a disparity in Baht's exchange rate, with Baht trading at a much stronger level outside the country ("offshore market") than inside ("onshore market"). The exchange rate adopted by CUP between Baht and US$ as quoted by Reuters would make reference to the offshore market if the transaction day is a non-business day in Thailand. In June 2008, CUP introduced Bloomberg to back up the rate resource of Reuters system and to protect CUP against the risk whereby the Reuters system was not available for some system-related or unexpected reasons. The rates provided by Bloomberg platform are nearly the same as Reuters on the onshore market. In addition, OCG Thailand converts US$ into the Baht through SCB using the exchange rate as quoted in the onshore market and sets this aside for the payments to the merchants to avoid exchange rate fluctuations. The Group does not adopt other forms of risk management.

Relationship of business partners

The Group's operations and financial condition depend on its relationship with its major business partners. It follows that any loss of such partners could materially and adversely affect the Group's business and financial position. The Group's card acceptance business in Thailand depends on its relationship with CUP and SCB and the Group's co-branded card partnership business in the PRC depends on its major card issuing bank relationship.

Information technology system

The Group mainly relies on third party payment gateways. The failure of third-party software and equipment which the Group uses in its systems may cause interruptions or failure of its information technology system.

Basis of presentation

The combined financial information set out in the Accountants' Report, a copy of which is set out in Appendix I to this prospectus, including combined income statements, combined statements of changes in equity and combined cash flows statements for the Track Record Period and the combined balance sheets of the Group as at 31 March 2007, 2008 and 2009, have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS").

Critical accounting policies

The Group prepares financial statements in accordance with the HKFRS which requires the Company to select accounting policies, adopt accounting estimates and make judgements that the Group's directors believe are appropriate in the circumstances for purposes of giving a true and fair view of the Group's results and financial condition. However, different policies, estimates and assumptions in critical areas could lead to materially different results. The Group continually evaluates various estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, the Group's actual results could differ from those estimates. The Group believes that the key source of estimation uncertainty and accounting judgments that results in significant risk of causing a material adjustment to the results of the Group are discussed below:

(i) Merger accounting

The Group prepares its combined financial information using merger accounting. In determining the appropriate accounting method for preparing the Group's combined financial information, the Group has assessed if the information of the Group is a business combination involving entities under common control and whether such control is transitory.

(ii) Subsidiary

The Group accounts for an entity as its subsidiary when it, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from the operation of that entity.

On 16 October 2007, OCG Thailand (BVI) acquired 1,225,000 shares of OCG Thailand, representing 49% of its then issued and paid-up ordinary share capital, from OCG HK at a total consideration of HK$10,000.

Prior to 28 April 2009, to comply with the FBA of Thailand which applies to all foreign invested companies, the Group formerly operated its CUP Card acceptance business through OCG Thailand whose 11% ordinary equity interest ("11% Security Interest") was held by Mr. Limpkittisin who had effectively assigned the 11% Security Interest to OCG Thailand (BVI) through certain contractual arrangements. Following a shareholding restructuring that was completed on 30 April 2009, OCG Thailand (BVI) acquired the 11% Security Interest from Mr. Limpkittisin and OCG Thailand has 3 shareholders and is currently owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote and 0.00003% by Miss Patcharin Pinkoksoong. Details of the shares of OCG Thailand comprising ordinary shares and preference shares are set out in the paragraph headed "Preference Shares Structure Arrangement of OCG Thailand" in the section headed "Business" of this prospectus. As Thai shareholders own a majority of the equity interests in OCG Thailand, OCG Thailand would not fall within the definition of a "foreigner" within the meaning of the FBA and therefore should not be required to obtain the relevant regulatory approval under the FBA.

OCG Thailand is treated as a subsidiary of the Group. The Group exercised its management control over the OCG Thailand through OCG HK's direct interests and effective interests in this subsidiary. OCG HK exercised its management control through active participation in the entire business decision-making process from our initial set-up to the execution of business plan and even down to day to day operations.

Based on the management control of the Group and the contractual arrangements as entered into between OCG Thailand (BVI) and Mr. Limpkittisin, the Group believes that, during the Track Record Period and prior to 28 April 2009, notwithstanding the lack of equity ownership, the contractual arrangements gave the Group control over OCG Thailand in substance. Accordingly, the financial position and operating results of OCG Thailand are included in the Group's combined financial information to extent of 60% effective interest, which includes the 49% ordinary equity interest and the 11% Security Interest. The reporting accountants concur with the accounting treatment which is in accordance with the HKFRS.

Subsequent to the implementation of the preference shares structure arrangement on 28 April 2009, the Group shall continue to account for OCG Thailand as a subsidiary on the ground that it is able to control the operations of OCG Thailand by exercising its majority voting power in any shareholders' meeting of OCG Thailand. In addition, the preference shares as issued by OCG Thailand would be classified as liabilities instead of equity in the Group's combined financial information in subsequent periods in accordance with applicable accounting standards because they are not redeemable and the holders of which are entitled to receive 9% cumulative dividend on the paid up amount of the preference shares issued, which would be 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. In this connection, the results and financial position of OCG Thailand, after taking account of the paid up capital and related dividend entitlement of the preference shares, are to be shared as to 60%, 39.99996% and 0.00004% by the Group, Mrs. Nongluck Anantachote and Miss Patcharin Pinkoksoong, respectively, according to the proportion of the ordinary shares held by them in OCG Thailand.

The Company's Thai legal advisers as to the laws of Thailand are of the view that there can be no assurance that the relevant Thai governmental or judicial authorities will in the future adopt a liberal and purposive interpretation or application of the Thai laws and regard such the existing preference shares structure arrangements of OCG Thailand effective from 28 April 2009 as not being in compliance with Thai laws. Please refer to the sub-section headed "Preference Shares Structure Arrangement of OCG Thailand" in the section headed "Business" for further information on the operational and financial impacts on the Group in the event that the existing preference shares structure arrangements are challenged by the Thai authorities.

(iii) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably, revenue is recognised in combined income statements as follows:

– Annual and transaction fee income

Annual and transaction fee which includes card acceptance transaction fee in card acceptance business, and annual and transaction fee in co-branded card business.

Revenue is recognised when transactions are approved and executed by BOCOM/CUP and the Group has obtained the right to demand payment of the consideration which is supported by monthly/daily transactions report issued by BOCOM/CUP. No revenue is recognized if there are significant uncertainties regarding the recovery of the consideration due or when the amount of revenue and the costs incurred or to be incurred in respect of the services cannot be measured reliably.

– Foreign exchange rate discount income

Foreign exchange rate discount income is discount to the spot rate offered by CUP to the Group on exchange rate of US$ against Baht to cover the Group for the volatility of Baht between the date of the transaction and the settlement date.

Revenue is recognised when the foreign currency denominated funds are received from CUP and converted into Baht pending for the settlement of outstanding payables to respective merchant shops, which usually on every business day.

The Group has every intention to earn the foreign exchange rate discount income as the service agreements with CUP clearly stated that CUP settles all the Baht denominated card acceptance transactions in US$ by applying an exchange rate with 0.5% discount to the market spot exchange rate of US$ against Baht. Based on the past experience of the management of the Group and proven track record, the Group has been able to retain almost the entire 0.5% discount received and recorded foreign exchange rate discount income rather than loss every month. Besides, the foreign exchange rate discount income has become one of the major revenues of the Group. As the 0.5% discount will be received for every transaction of the Group's card acceptance business and based on the current currency exchange environment of Baht, the Directors expected the revenue from the foreign exchange rate discount income will continue in the future, which arises from the ordinary course of business of the Group and is recurring in nature.

In addition to the foreign exchange rate discount income, the Group also reported other exchange gain which represented realised exchange gain arising from the transfers of funds among group companies in various currencies. As other exchange gain is different in nature, recognition criteria, timing of recognition and frequency of transactions as compared with foreign exchange rate discount income discussed above, other exchange gain is being reported as a type of other income instead of revenue. In addition, other exchange income and foreign exchange rate discount income are being recognised and reported separately under the Group's accounting system.

As a result of above-mentioned factors, the Group's annual and transaction fee income and foreign exchange rate discount income during the Track Record Period are fairly stated.

When transactions are cancelled or voided on the same day despite having gone through a POS card terminal, merchants can void the transactions on the POS card terminal directly before day end submission to OCG Thailand before 11p.m. local time. The cancelled transaction amount will be directly deducted in the CUP reports and the settlement amount reduced accordingly. No income will be reported, thus no adjustment entry is required.

When transactions are cancelled or voided not on the same day despite gone through a POS card terminal, merchants need to complete and send the request form to OCG Thailand, OCG Thailand will then notify CUP for the cancellation. The cancelled transaction amount will be deducted in the CUP reports at the time when CUP are being notified and CUP approved such the cancellation. As the settlement amount will be reduced automatically, no income will be reported and thus, no adjustment entry required.

(iv) Useful lives of property, plant and equipment

The Group's property, plant and equipment primarily comprise servers, computers, leasehold improvement and other office equipment. The Group depreciates these assets using straight-line method over their estimated useful lives, after taking into account the assets' estimated residual values. The Group estimated the useful lives based on the Group's management's knowledge on the useful lives of the relevant assets of similar nature and functions. On this basis, the Group has estimated the useful lives of the Group's servers, computers and other office equipment to be five years, and useful lives of leasehold improvement to be equal the lease term of three years. The Group reviews the estimated useful lives and residual values of assets, and adjust them if appropriate, at each balance sheet date.

If technology innovations are to occur more rapidly than anticipated, the Group may shorten the useful lives or lower the residual value assigned to these assets, which will result in increased depreciation expenses in future periods.

(v) Impairment of trade and other receivables

Trade and other receivables are initially stated at fair value and subsequently measured at amortised cost less any impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect any amounts due according to original terms of the receivables. If the financial conditions of the Group's customers and other debtors were to deteriorate are considered indicators that the trade receivables is impaired. When a receivables is determined uncollectible, it is written off against the allowance account for receivables and the amount of the loss is recognised in the combined income statements as part of administrative expenses. The Group reviews the provision for impairment, and adjust if appropriate, at each balance sheet date after conducting aging analysis of receivables and reviewing credit history of the debtors. No impairment of trade and other receivable has been made by the Group during the Track Record Period.

RESULTS OF OPERATIONS

The table below sets out a summary of the Group's audited combined financial results during the Track Record Period. For more detailed information, please refer to the accountants' report in Appendix I to this prospectus.

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Revenue	1,848,936	7,280,097	7,807,445
Cost of services rendered	(1,244,524)	(3,887,692)	(5,104,265)
Gross profit	604,412	3,392,405	2,703,180
Other income	264,236	209,095	32,072
Administrative expenses	(2,516,619)	(3,128,844)	(2,639,029)
Distribution costs	(53,969)	(127,500)	(48,711)
(Loss) Profit before taxation	(1,701,940)	345,156	47,512
Taxation	–	–	307,977
(Loss) Profit for the year	(1,701,940)	345,156	355,489
Attributable to:			
Equity holders of the Company	(1,701,940)	345,156	(145,451)
Minority interests	–	–	500,940
	(1,701,940)	345,156	355,489

OCG China has incurred losses since its incorporation and consequently there is no appropriation to any statutory reserve fund. In addition, there is no statutory requirement in Thailand for OCG Thailand to make any appropriation to reserve fund. Even though the Thailand Civil and Commercial Code is a statutory requirement to make an appropriate reserve fund where a limited company declares distribution of a dividend. However, the Civil and Commercial Code would not be applicable for OCG Thailand as it has incurred loss and therefore no dividend can be declared unless such losses have been made good.

The table below set out a summary of the percentage of the financial results to the Group's revenue:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Revenue	100%	100%	100%
Cost of services rendered	(67.31)%	(53.40)%	(65.38)%
Gross profit	32.69%	46.60%	34.62%
Other income	14.29%	2.87%	0.41%
Administrative expenses	(136.11)%	(42.98)%	(33.80)%
Distribution costs	(2.92)%	(1.75)%	(0.62)%
(Loss) Profit before taxation	(92.05)%	4.74%	0.61%
Taxation	–	–	3.94%
(Loss) Profit for the year	(92.05)%	4.74%	4.55%
Attributable to:			
Equity holders of the Company	(92.05)%	4.74%	(1.86)%
Minority interests	–	–	6.41%
	(92.05)%	4.74%	4.55%

The high administrative expenses to revenue ratio for year ended 31 March 2007 is because the Group's business requires that it employs skillful and experienced employees and that it incurs relatively high initial set-up costs in the early stages. The administrative expenses to revenue ratio has continued to decrease during the Track Record Period since following the relatively high administrative expenses in the initial set-up stage, the Group's revenue has increased at a higher rate than that of the Group's administrative expenses. During the year ended 31 March 2009, the Group recognised certain deferred tax assets which contributed a significant portion of the profit of the Group for that year.

Gross Profit Margin Analysis

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Revenue			
Co-branded card annual and transaction fee income	171,440	132,395	99,163
Card acceptance transaction fee income	1,380,504	4,430,024	5,838,660
Foreign exchange rate discount income	296,992	2,717,678	1,869,622
	1,848,936	7,280,097	7,807,445
Cost of services rendered, in respect of			
Co-branded card annual and transaction fee income	18,273	1,307	1,580
Card acceptance transaction fee income	1,226,251	3,886,385	5,102,685
Foreign exchange rate discount income	–	–	–
	1,244,524	3,887,692	5,104,265
Gross Profit, in respect of			
Co-branded card annual and transaction fee income	153,167	131,088	97,583
Card acceptance transaction fee income	154,253	543,639	735,975
Foreign exchange rate discount income	296,992	2,717,678	1,869,622
	604,412	3,392,405	2,703,180
Gross Profit Margin, in respect of			
Co-branded card annual and transaction fee income	89%	99%	98%
Card acceptance transaction fee income	11%	12%	13%
Foreign exchange rate discount income	100%	100%	100%
	33%	47%	35%

The fluctuations in the overall gross profit margin are the combined results of the factors mentioned below:

Co-branded card annual and transaction fee income

The direct cost for the Group's co-branded card annual and transaction fee income comprise business tax of 5%. The gross profit attributable by the segment is relatively immaterial. The gross profit margin did not have large fluctuation for the two years ended 31 March 2009. The business tax payable by the Group decreased for the year ended 31 March 2008, mainly due to the amount having been prepaid in the year ended 31 March 2007.

Card acceptance transaction fee income

The changes in the Group's gross profit margin during the Track Record Period were mainly driven by changes in the mix of merchants shop with different agreed rates of transactions fee (ranging from 1.25% to 2.5% of the total transactions amount on each successful transaction).

Foreign exchange rate discount income

The foreign exchange rate discount income is derived in accordance with the service agreements with CUP and is reported on a net basis. More income was derived from this source during the year ended 31 March 2008 because with effect from December 2006 the settlement funds in US$ as received from CUP were calculated with reference to the exchange rate of Baht as quoted in the offshore market when the relevant transaction day was a non-business day in Thailand, which was more favorable than the exchange rate quoted in the onshore market for converting US$ funds into Baht by OCG Thailand. In June 2008, CUP introduced Bloomberg to back up the rate resource of the Reuters system. The Directors believe that CUP intended thereby to protect itself against the risk when the Reuters system is not available for some systems or unexpected reasons. The rates from the Bloomberg platform are nearly the same as Reuters on onshore market.

Year ended 31 March 2008 compared with year ended 31 March 2007

Revenue

The Group's revenue arising from principal activities for the year ended 31 March 2008 was approximately HK$7,280,097, representing an increase of approximately 294% as compared to HK$1,848,936 for the year ended 31 March 2007. The table below sets out the breakdown of the Group's revenue by category:

	Year ended 31 March			
	2007		2008	
	HK$	*% of total revenue*	*HK$*	*% of total revenue*
Thailand				
Card acceptance transaction fee income	1,380,504	74.7%	4,430,024	60.9%
Foreign exchange rate discount income	296,992	16.0%	2,717,678	37.3%
	1,677,496	90.7%	7,147,702	98.2%
The PRC				
Co-branded card annual fee income	91,780	5.0%	86,087	1.2%
Co-branded card transaction fee income	79,660	4.3%	46,308	0.6%
	171,440	9.3%	132,395	1.8%
	1,848,936	100.0%	7,280,097	100%

The increase in the Group's total revenue was mainly due to the significant increase in CUP Cards acceptance transaction volume. According to the transaction report provided by CUP (non-publicly available), the transaction volume reached approximately Baht 1,206 million (equivalent to approximately HK$265 million) for the year ended 31 March 2008 compared to approximately Baht 461 million (equivalent to approximately HK$101 million) for the year ended 31 March 2007. The increase in card acceptance transaction fee income was more significant than the increase in achieved transaction volume in Baht, mainly because OCG Thailand received a higher contracted merchant discount rate from SCB's merchants since the end of September 2006 as compared with merchants sourced by OCG Thailand itself. The merchant discount rate charged by the Group to the merchants of OCG Thailand was approximately 1.25% to 1.5% of the total transaction amount on each successful transaction, whereas merchants of SCB were charged a merchant discount rate of approximately 1.8% of the total transaction amount on each successful transaction. The average transaction amount

decreased from approximately Baht 9,400 (equivalent to approximately HK$2,068) for the year ended 31 March 2007 to Baht 7,000 (equivalent to approximately HK$1,540) for the year ended 31 March 2008, as a result of strong revenue growth from SCB's merchants, which were relatively lower average transaction amounts compared to OCG Thailand's merchants.

Revenue derived from CUP Card acceptance transaction fee income accounted for approximately 60.9% of the Group's revenue for the year ended 31 March 2008. In addition, the approximate 815% increase in revenue derived from foreign exchange rate discount income also added to the revenue growth for the year ended 31 March 2008. Revenue derived from foreign exchange rate discount income accounted for approximately 16.0% and 37.3%, respectively, of the Group's revenue for the years ended 31 March 2007 and 2008. The increase in foreign exchange rate discount income was mainly due to the increase in CUP Card acceptance transaction volume and because since December 2006 the settlement funds in US$ as received from the CUP have been calculated with reference to the exchange rate of Baht as quoted in the offshore market when the transaction date is a non-business day in Thailand, which is more favourable than the exchange rate quoted in the onshore market in converting US$ funds into Baht.

The co-branded card annual and transaction fee income for the year ended 31 March 2008 was approximately HK$132,395, representing a decrease of approximately 22.8% as compared to approximately HK$171,440 for the year ended 31 March 2007. The decrease in co-branded transaction fee income was mainly due to the decrease in average card spending and merchant discount rate per transaction. The Directors believe that the slight decrease in co-branded card annual fee was mainly due to the fact that certain cardholders had not deposited enough money into his/her saving accounts despite the increase in number of cards. Therefore, BOCOM would not charge the annual fee from their accounts. Although the Group is entitled to the card annual fee, as the collectability of such card annual fee from the cardholders is in doubt, the Group generally defers the recognition of such revenue until the card annual fee has been collected from the cardholders by BOCOM – after the cardholders had deposited enough money to their accounts with BOCOM in accordance with the Group's revenue recognition policy. Therefore, no card annual fee receivable from cardholders has been quantified and recognised by the Group.

The revenue from the Group's co-branded card partnership business in the PRC as a percentage of total revenue decreased significantly to approximately 1.8% for the year ended 31 March 2008 compared to approximately 9.3% for the year ended 31 March 2007. This was mainly due to a significant increase in CUP Card acceptance transaction volume in Thailand as a result of the growing number of Chinese travellers in Thailand and OCG Thailand having begun to generate CUP Card acceptance transactions from the use of SCB's POS card terminals with effect from August 2006. The significant growth of the transaction volume of SCB's merchants, from which the Group charged a relatively higher merchant rate, also accounted for the increase of revenue generated from the Group's business in Thailand.

Cost of services rendered

The Group's cost of services rendered mainly comprises costs directly attributable to the provision of the Group's payment services, which includes information technology network and licence fee, bank service fee and business tax.

CUP charges a fixed rate of 1.2% of the CUP Card acceptance transaction amount for information technology and licence fee, and SCB charges 0.3% of the CUP Card acceptance transaction amount for the use of SCB's POS card terminal.

The following table shows the breakdown of the Group's cost of services rendered for the year indicated:

	Year ended 31 March	
	2007	**2008**
	HK$	*HK$*
Information technology network and licence fee (1.2% CUP fee)	1,177,411	3,572,137
Bank service fees (SCB clearing fee)	48,840	314,248
Business taxes	18,273	1,307
	1,244,524	3,887,692

Cost of services rendered for the year ended 31 March 2008 was HK$3,887,692, representing an increase of approximately 212% from the year ended 31 March 2007. The increase in cost of services rendered was mainly attributable to the increased information technology network and licence fees payable to CUP as a result of the increased CUP Card transaction volume which was in line with the growth in the transaction volume.

Gross profit

The Group's gross profit for the year ended 31 March 2008 was HK$3,392,405, representing approximately 5.6 times of that for the year ended 31 March 2007 which was HK$604,412. This was primarily attributable to the increase in revenue as discussed before.

Other income

Other income for the year ended 31 March 2008 decreased to HK$209,095 from HK$264,236 for the year ended 31 March 2007. The decrease was mainly due to the decrease in CUP sponsorship fees in the year ended 31 March 2008.

CUP sponsorship fees represent other income received from CUP for marketing and promoting the CUP Card acceptance business. It is not a recurrent income to the Group. The decrease in sponsorship fee was mainly due to the change of CUP policy by promoting itself, therefore requiring less promotion from OCG Thailand.

The table below sets out the breakdown of the Group's other income during the years ended 31 March 2007 and 2008 respectively:

	Year ended 31 March	
	2007	**2008**
	HK$	*HK$*
Bank interest income	4,379	6,414
Other interest income	3,620	3,476
Exchange gain	663	–
Marketing and promoting sponsorship fees received	255,574	199,205
	264,236	209,095

Other interest income mainly represented interest income on amount due from VGI Group Company Limited. The exchange gain mainly arose from the operations of OCG China. The exchange gain was immaterial to the Group's combined financial information as a whole.

Administrative expenses

The Group's administrative expenses principally comprise staff costs, depreciation, travel and entertainment expenses and other administrative expenses. The other administrative expenses mainly consist of share of corporate administration expenses and other office administrative expenses, which is calculated with reference to average weighting in total general and administrative expense incurred by the Group with reference to total general and administrative expenses incurred by OCG UK and the Group, from OCG UK. The Group incurred such high administrative expenses because it is requisite the Group's business to employ skilful and experienced employees, which included share of senior management salaries and office premises of OCG UK and relatively high initial setting up costs at the early stage.

The table below sets out the breakdown of the Group's administrative expenses during the years ended 31 March 2007 and 2008 respectively:

	For the year ended 31 March	
	2007	**2008**
	HK$	*HK$*
Staff costs	788,549	1,140,912
General administration	1,220,756	1,508,412
Depreciation	308,243	346,433
Travel and entertainment	199,071	133,087
	2,516,619	3,128,844

Administrative expenses increased by 24% to approximately HK$3,128,844 for the year ended 31 March 2008 as a result of the rapid growth of the Group's card acceptance business. The increase in the Group's staff costs was mainly due to i) the increase in the salaries of senior management team of OCG Thailand from approximately HK$547,000 for the year ended 31 March 2007 to approximately HK$673,000 for the year ended 31 March 2008; and ii) increase of the salaries paid to part-time sales in Hainan Province from approximately HK$15,000 for the year ended 31 March 2007 to approximately HK$134,000 for the year ended 31 March 2008. The increase in general administration costs and depreciation for the year ended 31 March 2008 was primarily attributable to the increase in the Group's business. The decrease in travel and entertainment for the year ended 31 March 2008 was due to relatively high amount of travel and entertainment expenses incurred during the year ended 31 March 2007 at the initial stage of The Pacific-OCG Golf Card business. The proportion of administrative expenses and total revenue for each of the years ended 31 March 2007 and 2008 was approximately 136.11% and 42.98% respectively.

Distribution costs

The Group's distribution costs mainly consist of promotion expenses and promotional leaflet printing expenses related to the Pacific-OCG Golf Card. For the year ended 31 March 2008, the distribution cost was HK$127,500, representing approximately 2.36 times of that for the year ended 31 March 2007 which was HK$53,969. This was mainly attributable to the increase in the issuance of the Pacific-OCG Golf Cards.

Connected and related party transactions

Significant connected and related party transactions during the years ended 31 March 2007 and 2008 respectively:

	Year ended 31 March	
	2007	**2008**
	HK$	*HK$*
Interest income received from:		
– VGI Group Company Limited	2,982	3,476
Office rental, stationery and electricity expenses paid to:		
– VGI Global Media Company Limited	1,915	–
Administration expenses paid to:		
– VGI Global Media Company Limited	21,702	26,733
Share of consultancy fee expenses paid to a senior management personnel:		
– OCG HK	90,625	–
Share of corporate administration expenses:		
– OCG UK	620,000	690,000

The transactions with OCG HK/OCG UK were concluded on a cost-shared basis. After evaluation of the workload and the time involved, the transactions with VGI Global Media Company Limited were concluded on an arms-length basis. The Directors consider that all related party transactions were carried out in the ordinary course of business and on normal commercial terms.

The increase of administration expenses paid to VGI Global Media Company was due to business expansion.

The consultancy fee expenses was shared between OCG HK and the Group for the remuneration paid to Mr. Mak Kin Chung in establishing the arrangement with CUP and the platform of OCG Thailand. No consultancy fee was reported for the year ended 31 March 2008 because of Mr. Mak Kin Chung's resignation from OCG HK in August 2006.

The share of corporate administration expenses was calculated with reference to the average weight in total general administrative expenses incurred by OCG UK and the Group. The amount increased during the period was due to the increase in rental fee and in senior management salary expenses of OCG UK.

(Loss) Profit before taxation

As a result of the above mentioned factors, the Group's results turned around from a loss before tax of approximately HK$1,701,940 for the year ended 31 March 2007 to profit before taxation of approximately HK$345,156 for the year ended 31 March 2008. The profit before taxation for the year ended 31 March 2008 resulted from the increased use of CUP Card payment services by a growing number of Chinese tourists in Thailand and because the Group's revenue increased at higher rate than that of the Group's operating expenses.

Taxation

Profit tax has not been provided for as the Group had accumulated losses for taxation purpose, during the years ended 31 March 2007 and 2008, respectively.

(Loss) Profit for the year

(Loss) Profit for the years ended 31 March 2007 and 2008 was the same as the (loss) profit before taxation for the same years and fully attributable to the equity holders of the Company. The minority shareholder of the Company's non-wholly owned subsidiary, OCG Thailand, has no binding obligations to make further investment to cover the accumulated losses over contributed capital and thus, no (loss) profit had been shared by minority interests for both years.

Year ended 31 March 2009 compared with year ended 31 March 2008

Revenue

The Group's revenue arising from principal activities for the year ended 31 March 2009 was approximately HK$7,807,445, representing an increase of approximately 7.2% as compared to HK$7,280,097 for the year ended 31 March 2008. The table below sets out the breakdown of the Group's revenue by category:

	Year ended 31 March			
	2008		2009	
	HK$	*% of total revenue*	*HK$*	*% of total revenue*
Thailand				
Card acceptance transaction fee income	4,430,024	60.9%	5,838,660	74.8%
Foreign exchange rate discount income	2,717,678	37.3%	1,869,622	23.9%
	7,147,702	98.2%	7,708,282	98.7%
The PRC				
Co-branded card annual fee income	86,087	1.2%	74,307	1.0%
Co-branded card transaction fee income	46,308	0.6%	24,856	0.3%
	132,395	1.8%	99,163	1.3%
	7,280,097	100%	7,807,445	100%

The slight increase of the Group's total revenue was mainly due to the increase in CUP Cards acceptance transaction volume as growing number of Chinese tourists in Thailand and increase in the number of the Group's POS card terminals in Bangkok, Pattaya and Phuket. The number of POS card terminals utilised by the Group as at 31 March 2009 increased to 470 from 381 as at 31 March 2008. According to the transaction report provided by CUP (nonpublicly available), the transaction volume reached approximately Baht 1,704 million (equivalent to approximately HK$375 million) for the year ended 31 March 2009 compared to approximately Baht 1,206 million (equivalent to approximately HK$265 million) for the year ended 31 March 2008.

The average transaction amount decreased from approximately Baht 7,000 (equivalent to approximately HK$1,540) for the year ended 31 March 2008 to Baht 6,700 (equivalent to approximately HK$1,474) for the year ended 31 March 2009. This was a result of strong revenue growth from SCB's merchants, which had relatively lower average transactions amounts compared with OCG Thailand's merchants. Revenue derived from CUP Card acceptance transaction fee income accounted for approximately 74.8% of the Group's revenue for the year ended 31 March 2009.

However, there is approximately 31% decrease in revenue derived from foreign exchange rate discount income for the year ended 31 March 2009. Revenue derived from foreign exchange rate discount income accounted for approximately 23.9% and 37.3%, respectively, of the Group's revenue for the year ended 31 March 2009 and 2008. The decrease in foreign exchange rate discount income was mainly due to CUP introducing the Bloomberg platform to back up the rate source of the Reuters system which the rates from Bloomberg platform are nearly the same as Reuters on onshore market since July 2008. Therefore, despite the increase in card acceptance transaction volume, the foreign exchange rate discount income decreased for the year ended 31 March 2009.

The co-branded card annual fee and transaction fee income for the year ended 31 March 2009 was approximately HK$99,163, representing a decrease of approximately 25% as compared to approximately HK$132,395 for the same period in last year. The decrease was mainly due to the decrease in average card spending and merchant discount rate per transaction. The decrease in co-branded card annual fee was mainly due to the fact that certain card holders had not deposited enough money into his/her bank accounts despite the increase in the numbers of cards and subsequently no annual fee had been deducted from such card holders.

Cost of services rendered

The Group's cost of services rendered mainly comprises costs directly attributable to the provision of the Group's payment services, which includes information technology network and licence fee, bank service fee and business tax. CUP charges 1.2% of CUP Card acceptance transaction amount for information technology and licence fee, and SCB charges 0.3% of CUP Card acceptance transaction amount for the use of their POS card terminal.

The following table shows the breakdown of the Group's cost of services rendered for the year indicated:

	Year ended 31 March	
	2008	**2009**
	HK$	*HK$*
Information technology network and licence fee (1.2% CUP fee)	3,572,137	4,601,557
Bank service fees (SCB clearing fee)	314,248	501,128
Business taxes	1,307	1,580
	–	–
	3,887,692	5,104,265

Cost of services rendered for the year ended 31 March 2009 was approximately HK$5,104,265, representing an increase of approximately 31% for the year ended 31 March 2008. The increase in cost of services rendered was mainly attributable to the increased information technology network and licence fees payable to CUP as a result of the increased CUP Card transaction volume which was in line with the growth in the transaction volume.

Gross profit

The Group's gross profit for the year ended 31 March 2009 was approximately HK$2,703,180 representing a decrease of approximately 20% from the year ended 31 March 2008. This was primarily attributable to the decrease in foreign exchange rate discount income as discussed before.

Other income

Other income for the year ended 31 March 2009 decreased to approximately HK$32,072 from approximately HK$209,095 for the same period in last year. The decrease was mainly due to the decrease in CUP sponsorship fees for the year ended 31 March 2009.

CUP sponsorship fees represent other income received from CUP for marketing and promoting the CUP Card acceptance business. It is not a recurrent income to the Group. The decrease in sponsorship fee was mainly due to the business development becoming more mature, therefore requiring less promotion.

The table below sets out the breakdown of the Group's other income for the years ended 31 March 2008 and 2009 respectively:

	Year ended 31 March	
	2008	**2009**
	HK$	*HK$*
Bank interest income	6,414	11,962
Other interest income	3,476	15,489
Marketing and promoting sponsorship fee received	199,205	4,621
	209,095	32,072

Other interest income mainly represented interest income on amount due from VGI Group Company Limited and Mr. Limpkittisin.

Administrative expenses

The Group's administrative expenses principally comprise staff costs, depreciation, travel and entertainment expenses and other administrative expenses. The other administrative expenses mainly consist of share of corporate administration expenses and other office administrative expenses, which is calculated with reference to average weighting in total general and administrative expense incurred by the Group against total general and administrative expenses incurred by OCG UK and the Group, from OCG UK.

The table below sets out the breakdown of its administrative expenses during the years ended 31 March 2008 and 2009, respectively:

	Year ended 31 March	
	2008	**2009**
	HK$	*HK$*
Staff costs	1,140,912	1,118,852
General administration	1,508,412	1,057,339
Depreciation	346,433	397,819
Travel and entertainment	133,087	65,019
	3,128,844	2,639,029

Administrative expenses decreased by approximately 15.7% to approximately HK$2,639,029 for the year ended 31 March 2009 mainly due to the decrease in general administration costs and travel and entertainment.

The decrease in general administration costs for the year ended 31 March 2009 was mainly due to the fact that the Group employed a new local staff for CUP Card acceptance business in Thailand to reduce reliance on OCG HK's staff. The corporate administration expenses reduced from approximately HK$690,000 for the year ended 31 March 2008 to approximately HK$300,000 for the same period in 2009.

There was no material fluctuation on the staff costs for the year ended 31 March 2009. The increase in depreciation for the year ended 31 March 2009 was mainly due to the acquisition of network system and terminals for card acceptance business.

The decrease in travel and entertainment expenses for the year ended 31 March 2009 was due to the fact that relatively high amount of travel and entertainment expense incurred for the year ended 31 March 2008 at the early stage of the Pacific-OCG Golf Card business.

Distribution costs

The Group's distribution costs mainly consist of promotion expenses and promotional leaflet printing expenses related to The Pacific-OCG Golf Card. For the year ended 31 March 2009, the Group's distribution costs amounted to approximately HK$48,711, representing a decrease of approximately 62% as compared with the year ended 31 March 2008. This was attributable to the reduction in marketing activity relating to the Pacific-OCG Golf Cards during the year ended 31 March 2009.

Connected and related party transactions

Significant connected and related party transactions for the years ended 31 March 2008 and 2009 respectively:

	Year ended 31 March	
	2008	**2009**
	HK$	*HK$*
Interest income received from:		
– VGI Group Company Limited	3,476	2,259
– Mr. Limpkittisin	–	13,230
Administration expenses paid to:		
– VGI Global Media Company Limited	26,733	24,434
Administrative service fee paid to:		
– OCG HK	–	57,560
Share of corporate administration expenses:		
– OCG UK	690,000	300,000

The transactions with OCG HK/OCG UK were concluded on a cost-shared basis. After evaluation of the workload and the time involved, the transactions with VGI Global Media Company Limited were concluded on an arms-length basis. The Directors consider that all related party transactions were carried out in the ordinary course of business and on normal commercial terms.

The administrative service fee paid to OCG HK represented the share of salary expenses of OCG HK under the administrative agreement with effect from 1 February 2009 onwards. OCG HK provided the administrative services before the Group entered into the administrative service agreement dated 30 January 2009 with OCG HK. The Directors considered that there were minimal administrative supports received from OCG HK before February 2009 when the Group's reorganization in respect of the prior listing application was almost finalised was minimal, therefore no administrative service fee were paid to/shared from OCG HK before February 2009.

The administrative service fee paid to OCG HK in the sum of HK$57,560 related to the administrative service fee charged by OCG HK under the administrative service agreement dated 30 January 2009 for the two months from 1 February 2009 to 31 March 2009 which was charged at actual cost basis.

The share of corporate administration expenses with OCG UK was calculated with reference to average weight in total general administrative expenses incurred by OCG UK and the Group. The amount decreased during the year ended 31 March 2009 was mainly due to the resignation of the Hong Kong-based marketing director and the Group having employed a new local staff for CUP Card acceptance business in Thailand to reduce reliance on OCG UK's staff, after the resignation of the HK-based marketing director.

Profit before taxation

As a result of the above mentioned factors, the Group's results decreased from a profit before taxation of approximately HK$345,156 for the year ended 31 March 2008 to profit before taxation of approximately HK$47,512 for the year ended 31 March 2009. The decrease in profit before taxation for the year ended 31 March 2009 was resulted from the rate of increase in cost of service rendered was higher than that of the rate of increase in revenue due to the decrease in foreign exchange rate discount income.

Taxation

For the year ended 31 March 2009, the Group has recognised deferred tax assets of approximately HK$307,977 of unused tax losses of approximately HK$984,280 carried forward by OCG Thailand because it is probable that future taxable profit will be sufficiently available against which the asset can be utilised.

Profit for the year

The Group's result improved from a profit of approximately HK$345,156 for the year ended 31 March 2008 to profit of approximately HK$355,489 for the year ended 31 March 2009. The increase in profit for the period were mainly due to the profit before taxation as discussed above and the recognition of income tax credit. The loss for the year attributable to the equity holders of the Company was HK$145,451 and the profit for the year attributable to minority interests was HK$500,940, During the year , the Company's non-wholly owned subsidiary, OCG Thailand, was able to generate sufficient profits to make good part of its accumulated losses over contributed capital in previous years, and accordingly, the minority shareholder of OCG Thailand was entitled to approximately 40% of the profits earned by OCG Thailand for the year. Nonetheless, the Company's wholly owned subsidiary, OCG China was still recording losses and, together with the corporate expenses incurred by the Company, the results attributable to equity holders of the Company was turned around from a profit of HK$345,156 for the year ended 31 March 2008 to a loss of HK$145,451 for the year ended 31 March 2009.

ANALYSIS FOR SELECTED BALANCE SHEET ITEMS

Debtors and creditors turnover period

For the three years ended 31 March 2009, the Group collected the settlement funds for its card acceptance business from CUP (one of the debtors) within one business day from the transactions and settled respective merchant shops and a service provider (the creditors) after deducting commission income earned within 30 days.

The income pattern of the co-branded card partnership business is not evenly distributed. The Group normally collects the outstanding receivable from the partnership bank quarterly. The debtors turnover days for the co-branded card partnership business for the three years ended 31 March 2009 were approximately 107, 94 and 90 days, respectively.

The Group allow 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. All the outstanding balances of trade debtors as at 31 March 2007, 31 March 2008 and 31 March 2009 have been fully settled subsequently.

Trade payables

The trade payables mainly represent the settlement funds for respective merchant shops and accrued services fee for SCB. As at 31 March 2007, 31 March 2008 and 31 March 2009, the trade payables were approximately HK$1,918,459, HK$5,105,165 and HK$4,953,935, respectively, and have been fully settled subsequently. The changes in the balances for the three years ended 31 March 2009 were mainly due to changes in card acceptance transaction volume near the respective balance sheet dates.

Due from related parties

The amount due from Mr. Limpkittisin of approximately HK$13,230 as at 31 March 2009 represent the interest receivable of his loan. The amount was subsequently settled in full on 28 April 2009.

Property, plant and equipment

The property, plant and equipment of the Group mainly consist of office and computer equipments and leasehold improvement. As at 31 March 2007, 31 March 2008 and 31 March 2009, the net book value of the Group's property, plant and equipment were approximately HK$895,469, HK$580,822 and HK$538,358 respectively. The amount of net book value was decreased during the Track Record Period because of the depreciation charge of the respective year. The disposal of property plant and equipment represented the disposal of leasehold improvement related to re-renovation of office during the year ended 31 March 2008.

Deferred tax assets

OCG Thailand's transaction volume grew steadily for the year ended 31 March 2009 and the number of POS card terminals utilised by the Group increased from 381 as at 31 March 2008 to 470 as at 31 March 2009. In addition, OCG Thailand launched the new mobile POS card terminal that applies mobile technologies instead of tradition phone line to merchants at popular tourist spots since September 2008. The Directors take into account the latest business development in OCG Thailand, and expect that future taxable profit will be sufficiently available against which the asset can be utilized. Therefore, as at 31 March 2009, the Group has recognised deferred tax assets of approximately HK$295,284 of unused tax losses of approximately HK$984,280 carried forward by OCG Thailand.

Deposit, prepayments and other receivables

The deposit, prepayments and other receivables mainly comprise of prepayment of listing fee, interest receivables, rental deposit and other sundry receivables, As at 31 March 2007, 31 March 2008 and 31 March 2009, the deposit, payment and other receivables were approximately HK$40,963, HK$3,595,390 and HK$5,080,187 respectively. The amount increased during the Track Record Period was mainly due to expansion of CUP business operation and prepayment of listing fees.

Accrued charges and other payables

The accrued charges and other payables mainly comprise of accrued listing fees, network service fee, office accrued expenses. As at 31 March 2007, 31 March 2008 and 31 March 2009, the accrued charges and other payables were approximately HK$183,953, HK$1,200,728 and HK$1,050,861 respectively. The amount increased during the two years ended 31 March 2008 was mainly due to business expansion and accrued listing fees.

The amount decreased as at 31 March 2009 was mainly due to payment of the listing fees.

Cash and cash equivalents

As at 31 March 2007, 31 March 2008 and 31 March 2009, the Group had cash on hand and at bank of approximately HK$260,745, HK$2,011,658 and HK$674,966, respectively.

Restricted bank balances

In addition, as at 31 March 2007, 31 March 2008 and 31 March 2009, the Group had restricted cash deposited with a Thailand bank of approximately HK$600,322, HK$3,732,702 and HK$2,552,930, respectively. The amount is solely for the purpose of settlement of outstanding trade payables for the CUP Card clearing system and was restricted for use by the Group for any other purpose.

Contingent liabilities and capital commitments

The Group had no significant contingent liabilities and capital commitments as at 31 March 2007, 31 March 2008 and 31 March 2009, respectively.

TAXATION

	Year ended 31 March		
	2007	2008	2009
Current tax	–	–	–
Deferred tax			
Benefit of tax losses	–	–	307,977
Tax credit for the year	–	–	307,977

The Group is subject to income tax as follows:

(i) Hong Kong Profits Tax

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

(ii) Income taxes outside Hong Kong

The Company was incorporated in the Cayman Islands as an exempted company and accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands are incorporated under International Business Act of the British Virgin Islands and, accordingly, are exempted from payment of the British Virgin Islands income tax.

OCG Thailand is subject to Thailand income tax at 30%. However, no Thailand income tax has been provided for the Track Record Period as OCG Thailand either incurred losses for taxation purposes or its assessable profits are wholly absorbed by unrelieved tax losses brought forward from previous periods.

OCG China is subject to state and local income tax in the PRC at standard rate of 30% and 3% respectively, up to 31 December 2007. Pursuant to the Income Tax Law for Foreign Invested Enterprises and Foreign Enterprise of the PRC (中華人民共和國外商投資企業和外國企業所得税法) which was abolished on 1 January 2008, OCG China was eligible to enjoy a preferential enterprise income tax rate of 15%.

In March 2007, the National People's Congress enacted a new Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), which became effective on 1 January 2008 (the "New EIT Law"). In December 2007, the State Council promulgated the Implementation Regulations to the Enterprise Income Law of the PRC (中華人民共和國企業所得税法實施條例) and the Notice to Enterprise Income Tax Transition Incentive Policy (國務院關於實施企業所得税過渡優惠政策的通知), which also became effective on 1 January 2008. However, no income tax has been provided as OCG China incurred losses for taxation purpose during the Track Record Period.

Under those laws and regulations, a unified income tax rate of 25% will apply to all domestic and foreign invested enterprises, unless they qualify for special tax benefits under certain limited exceptions. The applicable income tax for enterprises incorporated in special economic zones (including Hainan Province) which were subject to the enterprise income tax rate of 15% on 31 December 2007 will be increased to 18% in year of 2008, 20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012 respectively. Since the deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the periods when the asset is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets and deferred tax liabilities of OCG China. As OCG China does not recognise any deferred tax assets and deferred tax liabilities at the balance sheet dates, there is no impact on the financial position or results. The Group will further evaluate the impact on its operating results and financial positions of future periods as more detailed measures and other related regulations are announced.

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.

Reconciliation of tax credit

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
(Loss) Profit before taxation	(1,701,940)	345,156	47,512
Income tax at applicable tax rate	(464,315)	184,399	41,591
Non-deductible expenses	191,771	208,000	122,408
Utilisation of previously unrecognised tax losses	–	(472,919)	(375,939)
Unrecognised tax losses	251,892	87,094	35,135
Unrecognised temporary differences	20,652	(6,574)	176,805
Recognition of previously unrecognised deferred tax assets	–	–	307,977
Tax credit for the year	–	–	307,977

The applicable tax rate is a weighted average tax rate calculated by dividing sum of nominal income tax (credit) expenses computed with the tax rates prevailing in the territories in which the Group's entities operate against (loss) profit before taxation. The change in applicable tax rate is caused by changes in the taxable profits of the Group's subsidiaries in the respective countries.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, the Group had met its working capital and other capital requirements principally from cash provided by the Group's operations and bank balances and cash, while raising the remainder of the Group's capital requirements through advances from OCG HK.

As at 31 March 2007, the Group had net current liabilities of HK$3,233,654. As at 31 March 2008 and 2009, the Group had net current assets of HK$2,060,489 and HK$2,187,569 respectively. The Group had net liabilities and net current liabilities as at 31 March 2007 mainly due to the Group invested initially and significantly on i) deployment of POS card terminals at merchants to be able to accept CUP transaction; ii) the initial set up operating expenses, which involved a) local office setup costs include human resources and office equipments; b) marketing costs which included marketing materials design, printing cards production and promotion costs; c) travel and entertainment expenses in developing business partnership with business partners on co-branded card partnership business. The strategy was destined to build a significant merchants bases and card members for on-going business growth in a long term.

OCG HK is the most material creditor of the Group which accounted for more than 27% of the total trade and other payables as 31 March 2009. The amount due to OCG HK mainly represented the cost of the expenses incurred in relation to the Placing. The outstanding amount to OCG HK of approximately HK$2,296,881 as at 31 March 2009 has been settled with a loan obtained by the Group from an independent third party. Such loan provided by the independent third party will be repaid immediately following the listing of the Shares on the GEM. The estimated amount of the net proceeds as set out in the section headed "Reasons for the Placing and use of proceeds" of this prospectus has already accounted for the repayment of the expenses incurred in relation to the Placing. Besides, the trade payables mainly represent amount payables to merchants in Thailand which money has been set aside for the payments. Under existing arrangement with those merchants, they know that OCG Thailand will pay to them the transaction amounts, (i) after OCG Thailand received in full from CUP the remaining balance of the transaction amounts netted off by the CUP charges; and (ii) after OCG Thailand is satisfied that the information in relation to the merchant's claim therefore has been vertified, authenticated and confirmed by OCG Thailand with OCG Thailand's own records. It is highly unlikely for the Group to pay the merchants in advance. The Group has not paid the merchants in advance during the Track Record Period.

The Group has planned approximately HK$1.5 million for establishment of a comprehensive merchants network in major cities of Thailand and approximately HK$0.1 million for marketing and promotional activities for co-branded card business for the period from Latest Practicable Date to 30 September 2009. The capital requirement and related expenses will be financed by the net proceeds raised by the Placing. The net proceeds are estimated to be approximately HK$[•••] and assuming a placing price of HK$[•••] per share (being the mid-point of the stated range of the placing price between HK$[•••] and HK$[•••] per share).

As at 30 June 2009, the Group had current assets and current liabilities of approximately HK$8,833,000 and HK$2,488,000, respectively. The current assets primarily comprise of trade and other receivables, restricted bank balances and bank balances and cash. The current liabilities primarily comprise of trade and other payables.

Cash flows

The following table sets forth certain information regarding the Group's combined cash flows for the period indicated:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Net cash generated from operating activities	63,711	1,754,163	1,049,210
Net cash used in investing activities	–	(14,636)	(406,263)
Net cash generated from (used in) financing activities	–	23	(1,758,649)
Net increase (decrease) in cash and cash equivalents	63,711	1,739,550	(1,115,702)

Net cash generated from operating activities

The net cash generated from operating activities decreased to approximately HK$1,049,000 for the year ended 31 March 2009 from approximately HK$1,754,000 for the year ended 31 March 2008. This was mainly due to the decrease in profit before taxation of approximately HK$345,000 for the year ended 31 March 2008 to profit before taxation of approximately HK$48,000 for the year ended 31 March 2009.

The net cash generated from operating activities increased to approximately HK$1,754,000 for the year ended 31 March 2008 from approximately HK$64,000 for the year ended 31 March 2007. The increase in net cash generated from operating activities was mainly attributable to the Group's results turned around from a loss before taxation of approximately HK$1,702,000 for the year ended 31 March 2007 to profit of approximately HK$345,000 for the year ended 31 March 2008.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately HK$15,000 and HK$406,000 for the year ended 31 March 2008 and the year ended 31 March 2009, respectively, the amount was mainly used for the Group's acquisition of office equipment.

Net cash generated from (used in) financing activities

Net cash used in financing activities amounted to approximately HK$1,759,000 for the year ended 31 March 2009 was primarily payment of listing expenses.

There were no significant financing activities for the two years ended 31 March 2008.

FINANCIAL INFORMATION

INDEBTEDNESS AND NET CURRENT ASSETS

Borrowings

As at the closure of business on 30 June 2009, the Group had a total outstanding amount of approximately HK$3,557,000 due to OCG HK, OCG UK and Mr. Yu arising out of funds advanced from them mainly the cost and expenses for the listing exercise. This amount, which was financed by an unsecured 3-month short term loan of HK$4,000,000 borrowed from an Independent Third Party which carries interest at 5% per annum, was settled on/or before the Latest Practicable Date. The Group is able to finance its own operation independently. The related companies and Mr. Yu only advanced funds for the listing exercise.

As at the closure of business on 30 June 2009, the Group also had an outstanding amount of Baht 1,375,000 (equivalent to approximately HK$303,000) due to a minority shareholder in respect of the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividend at 9% per annum, with an accrued dividend payables of approximately Baht 21,000 (equivalent to approximately HK$5,000) as included in trade and other payables.

The Group has no significant exposure to liabilities denominated in foreign currency.

Contingent liabilities

As at 30 June 2009, the Group had no material contingent liabilities.

Mortgages and charges

As at 30 June 2009, the Group had no mortgages or charges over its assets.

Net current assets

As at 30 June 2009, the Group had net current assets of approximately HK$2,488,000. The current assets comprised cash and bank balances of approximately HK$716,000, restricted bank balances of approximately HK$269,000, and trade and other receivables of approximately HK$7,848,000. The current liabilities comprised trade and other payables of approximately HK$6,345,000.

Cash flows

The Group has historically financed its operation through a combination of cash from operation and advances from OCG HK and applied the Group's cash mainly to finance its operation and capital expenditures. As at 30 June 2009, the Group had not experienced any difficulty in collecting its receivables and setting its payables in the ordinary course of business.

Other than the risk factors set out in the section headed "Risk Factors" and the intended use of Placing proceeds as set out in the section headed "[•••]" of this prospectus, the Directors are not aware of any other factors that would have a material impact to the Group's liquidity as at 30 June 2009, including those that may materially and adversely affect the Group's future sources of cash and cash requirements associated with trends known to the Group. In addition, the Directors are not aware of any changes in the applicable legal and regulatory requirements that would have a material adverse impact to the Group's liquidity.

After the initial listing, the Group expects to meet its liquidity needs from cash generated from its operations and equity financings, including the proceeds from the Placing.

Banking facilities

As at 30 June 2009, the Group had no banking facilities.

Capital commitment

As at 30 June 2009, the Group had no significant capital expenditure commitment.

Disclaimer

Save as aforesaid or as otherwise disclosed herein and apart from normal trade payables and accrued charges, the Group did not have any other mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding as at the closure of business on 30 June 2009.

Prior to completion of the Placing and the Capitalisation Issue, the Group's investment and operations were financed primarily by internal resources, with the outstanding capital requirements financed through advances from OCG HK. It is expected that the net proceeds raised by the Placing will be sufficient to meet the future operating and capital expenditure requirements.

Save as aforesaid or as otherwise disclosed herein, the Directors have confirmed that there has not been any material change in the indebtedness, capital commitment and contingent liabilities of the Group since 31 March 2009.

Disclosure relating to Rules 17.15 to 17.21 of the GEM Listing Rules

The Group did not advance any money to any entity which exceeded 8% under the asset ratio as defined under Rule 19.07(1) of the GEM Listing Rules, did not provide any financial assistance and guarantees in respect of facilities granted to affiliated companies that exceeded 8% under the asset ratio as defined under Rule 19.07(1) of the GEM Listing Rules, did not have any pledge over the Shares by the Controlling Shareholder to secure debts, guarantees or support of other obligations of the Group, and did not enter into any loan agreements imposing specific performance obligations on the Controlling Shareholder.

The Directors have confirmed that, as at the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

WORKING CAPITAL

The Directors are of the opinion that after taking into account the expected net proceeds from the New Issue and the Group's present cash reserve, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this prospectus. Having taken into account the expected net proceeds to be raised under the Placing, the Directors and the Sponsor are satisfied that the Group has sufficient working capital.

The Company's reporting accountants have reviewed the cashflow projections prepared by the Directors in making their assessment regarding the adequacy of working capital.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

The Company had no reserves available for distribution to its shareholders as at 31 March 2009.

ADJUSTED NET TANGIBLE ASSETS

The following statement of adjusted net tangible assets of the Group is based on the combined net tangible assets of the Group as at 31 March 2009 as shown in the accountants' report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below:

	Audited combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 March 2009 *HK$* *(Note 1)*	**Estimated net proceeds from the Placing** *HK$* *(Note 2)*	**Unaudited pro forma net tangible assets** *HK$*	**Unaudited pro forma net tangible assets per Share** *HK$* *(Note 3)*
Based on [•••] Placing Shares at the Placing Price of HK$[•••] per Share, being the upper price of the price range	2,656,856	[•••]	[•••]	[•••]
Based on [•••] Placing Shares at the Placing Price of HK$[•••] per Share, being the lower price of the price range	2,656,856	[•••]	[•••]	[•••]

Notes:

1. The audited combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 March 2009 are based on the audited combined net assets of the Group attributable to the equity holders of the Company as at 31 March 2009 as set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Placing are based on the Placing Price of HK$[•••] and HK$[•••] per Placing Share after deduction of the estimated placing fees and related expenses in connection with the Placing.

3. The calculation of the unaudited pro forma net tangible assets of the Group per Share is based on [•••] Shares expected to be in issue after the completion of the Placing and the Capitalisation Issue. It has not taken into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or any options may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this prospectus.

NO MATERIAL ADVERSE CHANGE

The Directors consider that certain events such as the siege of the international airport in Thailand in 2008 by the protesters and the forced resignation of the Prime Minister of Thailand had led to a material adverse change in the financial position of the Group in March 2009. However, the card acceptance transaction volume of the Group's card acceptance business in Thailand rose to a higher level after the settlement of the events in January 2009. Following the cancellation of a summit of Asian leaders in the Thailand resort of Pattaya and the shooting of Mr. Sondhi Limthongkul in April 2009, there occurred the outbreak of human swine flu (H1N1) which has spread globally and become a global flu pandemic. These events again may have a material impact on the Group's financial position.

In 2009, the monthly transaction volumes handled by OCG Thailand were as follows:

Month	**Million** *(Baht)*
January	147
February	205
March	306
April	273
May	62
June	50
July	73

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2009 (being the date to which the latest audited combined financial statements of the Group were made up).

THIS WEB PROOF INFORMATION PACK IS IN DRAFT FORM. The information contained in it is incomplete and is subject to change. This Web Proof Information Pack must be read in conjunction with the section headed "Warning" on the cover of this Web Proof Information Pack.

The following is the text of a report, prepared for the purpose of incorporating in this prospectus, received from the reporting accountants, Mazars CPA Limited, Certified Public Accountants:

MAZARS CPA LIMITED
瑪澤會計師事務所有限公司
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[•••] 2009

The Directors
Oriental City Group Holdings Limited
SBI E2-Capital (HK) Limited

We set out below our report on the financial information regarding Oriental City Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the years ended 31 March 2007, 2008 and 2009 (the "Relevant Periods"), for inclusion in the prospectus of the Company dated [•••] 2009 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

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. Pursuant to a group reorganisation (the "Reorganisation") described in Note 1(b) of Section B below, the Company has since [•••] 2009 become the ultimate holding company of the subsidiaries now comprising the Group.

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in Note 1(a) of Section B below. All of these subsidiaries are private companies which have substantially similar characteristics as a Hong Kong incorporated private company.

No audited financial statements have been prepared for the Company since its date of incorporation as it has not carried out any significant business transactions other than the Reorganisation.

Details of the financial statements of the companies now comprising the Group that are subject to audit and the names of the respective auditors are set out in Note 1(a) of Section B below. Other than a subsidiary, Oriental City Group (Hainan) Services Limited (English translation of 奥思知(海南)服務有限公司 for identification purpose), which is incorporated in the People's Republic of China and has adopted 31 December as its financial year end date, all other companies now comprising the Group have adopted 31 March as their financial year end date.

For the purpose of this report, we have examined the audited financial statements and, where appropriate, management accounts (collectively referred to as the "Underlying Financial Statements") of the companies now comprising the Group for the Relevant Periods and carried out such additional procedures as we consider necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The financial information set out in this report, including the combined balance sheets of the Group as at 31 March 2007, 31 March 2008 and 31 March 2009, and the combined income statements, the combined statements of changes in equity and the combined cash flow statements of the Group for the Relevant Periods, together with the notes thereto (collectively referred to as the "Combined Financial Information"), have been prepared based on the Underlying Financial Statements following the basis set out in Note 1 of Section B below, after making such adjustments as appropriate for the purpose of preparing our report for inclusion in the Prospectus.

The directors of the Company are responsible for the preparation and true and fair presentation of the Combined Financial Information in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA. The directors of the respective companies now comprising the Group are responsible for the preparation and true and fair presentation of the Underlying Financial Statements.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and true and fair presentation of the Combined Financial Information and Underlying Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an independent opinion on the Combined Financial Information based on our audit and to report our opinion to you.

As a basis for expressing an opinion on the Combined Financial Information, for the purpose of this report, we have conducted an independent audit on the Combined Financial Information in accordance with the Hong Kong Standards on Auditing issued by the HKICPA.

In our opinion, the Combined Financial Information, for the purpose of this report and prepared on the basis set out in Note 1 of Section B below, gives a true and fair view of the state of affairs of the Group as at 31 March 2007, 31 March 2008 and 31 March 2009 and of the Group's results and cash flows for the years then ended.

A. COMBINED FINANCIAL INFORMATION

Combined Income Statements

		Year ended 31 March		
		2007	2008	2009
	Note	*HK$*	*HK$*	*HK$*
Revenue	*6*	1,848,936	7,280,097	7,807,445
Cost of services rendered		(1,244,524)	(3,887,692)	(5,104,265)
Gross profit		604,412	3,392,405	2,703,180
Other income	*7*	264,236	209,095	32,072
Administrative expenses		(2,516,619)	(3,128,844)	(2,639,029)
Distribution costs		(53,969)	(127,500)	(48,711)
(Loss) Profit before taxation	*8*	(1,701,940)	345,156	47,512
Taxation	*10*	–	–	307,977
(Loss) Profit for the year		(1,701,940)	345,156	355,489
Attributable to:				
Equity holders of the Company		(1,701,940)	345,156	(145,451)
Minority interests		–	–	500,940
		(1,701,940)	345,156	355,489
(Losses) Earnings per share for (loss) profit attributable to equity holders of the Company	*11*	N/A	N/A	N/A

Combined Balance Sheets

		At 31 March		
		2007	2008	2009
	Note	*HK$*	*HK$*	*HK$*
Non-current assets				
Property, plant and equipment	*12*	895,469	580,822	538,358
Deferred tax assets	*22*	–	–	295,284
		895,469	580,822	833,642
Current assets				
Trade and other receivables	*13*	1,612,152	5,164,387	7,365,987
Restricted bank balances	*14*	600,322	3,732,702	2,552,930
Bank balances and cash	*15*	260,745	2,011,658	674,966
		2,473,219	10,908,747	10,593,883
Current liabilities				
Trade and other payables	*16*	5,706,873	8,848,258	8,406,314
Net current (liabilities) assets		(3,233,654)	2,060,489	2,187,569
NET (LIABILITIES) ASSETS		(2,338,185)	2,641,311	3,021,211
Capital and reserves				
Share capital	*17*	–	–	–
Capital reserve	*18*	1,850,000	6,555,255	6,855,255
Exchange reserve	*19*	(269,839)	(340,754)	(479,758)
Accumulated losses		(3,918,346)	(3,573,190)	(3,718,641)
Total (deficit) equity attributable to equity holders of the Company		(2,338,185)	2,641,311	2,656,856
Minority interests		–	–	364,355
TOTAL (DEFICIT) EQUITY		(2,338,185)	2,641,311	3,021,211

Combined Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital *HK$* *(Note 17)*	Capital reserve *HK$* *(Note 18)*	Exchange reserve *HK$* *(Note 19)*	Accumulated losses *HK$*	Total *HK$*	Minority interests *HK$*	Total (deficit) equity *HK$*
At 1 April 2006	–	1,230,000	(45,794)	(2,216,406)	(1,032,200)	–	(1,032,200)
Loss for the year	–	–	–	(1,701,940)	(1,701,940)	–	(1,701,940)
Exchange difference on translation of foreign subsidiaries	–	–	(224,045)	–	(224,045)	–	(224,045)
Total recognised income and expense for the year	–	–	(224,045)	(1,701,940)	(1,925,985)	–	(1,925,985)
Deemed capital contribution from equity holders of the Company *(Note 1 (c))*	–	620,000	–	–	620,000	–	620,000
At 31 March 2007 and 1 April 2007	–	1,850,000	(269,839)	(3,918,346)	(2,338,185)	–	(2,338,185)
Profit for the year	–	–	–	345,156	345,156	–	345,156
Exchange difference on translation of foreign subsidiaries	–	–	(70,915)	–	(70,915)	–	(70,915)
Total recognised income and expense for the year	–	–	(70,915)	345,156	274,241	–	274,241
Reorganisation *(Note 1(b))*	–	(22,245)	–	–	(22,245)	–	(22,245)
Capital injection to a subsidiary by its then equity owner	–	23	–	–	23	–	23
Deemed capital contribution from equity holders of the Company *(Note 1 (c))*	–	690,000	–	–	690,000	–	690,000
Assignment of other payables *(Note 1 (b))*	–	4,037,477	–	–	4,037,477	–	4,037,477
At 31 March 2008 and 1 April 2008	–	6,555,255	(340,754)	(3,573,190)	2,641,311	–	2,641,311
Profit for the year	–	–	–	(145,451)	(145,451)	500,940	355,489
Exchange difference on translation of foreign subsidiaries	–	–	(139,004)	–	(139,004)	(136,585)	(275,589)
Total recognised income and expense for the year	–	–	(139,004)	(145,451)	(284,455)	364,355	79,900
Deemed capital contribution from equity holders of the Company *(Note 1(c))*	–	300,000	–	–	300,000	–	300,000
At 31 March 2009	**–**	**6,855,255**	**(479,758)**	**(3,718,641)**	**2,656,856**	**364,355**	**3,021,211**

Combined Cash Flow Statements

	Note	Year ended 31 March 2007 HK$	2008 HK$	2009 HK$
OPERATING ACTIVITIES				
Cash generated from operations	*20*	55,712	1,744,273	1,021,759
Interest received		7,999	9,890	27,451
Net cash generated from operating activities		63,711	1,754,163	1,049,210
INVESTING ACTIVITIES				
Purchase of property, plant and equipment		–	(14,636)	(406,263)
Net cash used in investing activities		–	(14,636)	(406,263)
FINANCING ACTIVITIES				
Capital injection to a subsidiary by its then equity owner		–	23	–
Payment of expenses for the initial listing		–	–	(1,758,649)
Net cash generated from (used in) financing activities		–	23	(1,758,649)
Net increase (decrease) in cash and cash equivalents		63,711	1,739,550	(1,115,702)
Cash and cash equivalents at beginning of year		179,363	260,745	2,011,658
Effect on exchange rate changes		17,671	11,363	(220,990)
Cash and cash equivalents at end of year, represented by bank balances and cash		260,745	2,011,658	674,966

B. NOTES TO THE COMBINED FINANCIAL INFORMATION

1. REORGANISATION OF THE GROUP AND BASIS OF PRESENTATION

(a) General information

The Company was incorporated in the Cayman Islands on 12 December 2007 as an exempted company with limited liability. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company. The Group is principally engaged in payment cards related businesses, namely co-branded card partnership business and card acceptance business respectively in the People's Republic of China (the "PRC") and Thailand.

At the date of this report, the immediate holding company of the Group is Oriental City Group Asia Limited ("OCG Asia"), which is incorporated in the British Virgin Islands (the "BVI"). In the opinion of directors, the ultimate holding company of the Group is Oriental City Group plc ("OCG UK", the "Controlling Party"), which is incorporated in England and Wales and its shares are listed on The PLUS-quoted market operated by Plus Markets plc of the United Kingdom.

At the date of this report, the particulars of the subsidiaries which the Company has direct or indirect interests are set out as follows:

Name	Place and date of incorporation/ establishment	Particulars of issued and paid up capital/ registered capital	Effective ownership interest held by the Company	Principal activities
Interests held directly				
Charm Act Group Limited ("Charm Act")	BVI, 30 November 2007	Ordinary, US$100	100%	Investment holding
Interests held indirectly				
Oriental City Group China Limited ("OCG China (BVI)")	BVI, 7 May 2007	Ordinary, US$1	100%	Investment holding
Oriental City Group Thailand Limited ("OCG Thailand (BVI)")	BVI, 7 May 2007	Ordinary, US$1	100%	Investment holding
奧思知(海南)服務有限公司 Oriental City Group (Hainan) Services Limited* ("OCG China")	PRC, 24 October 2005	Registered and paid up capital HK$150,000	100%	Co-branded card partnership business
Oriental City Group (Thailand) Company Limited ("OCG Thailand")	Thailand, 27 September 2004	Ordinary, Baht 6,250,000 Preference, Baht 1,375,000 <Remark>	60% Nil	Card acceptance business

* *The English name is for identification purpose only.*

<Remark>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on any resolution of OCG Thailand.

The holders of 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 the 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 would be classified as liabilities instead of equity in the Group's combined financial information in subsequent periods in accordance with applicable accounting standards because they are not redeemable and the holders of which are entitled to receive 9% cumulative dividend on the paid up amount of the preference shares issued, which would be 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.

Therefore, the financial position and the results of OCG Thailand would be included in the Group's combined financial information, after accounting for the paid up amount of the preference shares issued and related cumulative dividend, to the extent of 60% equity interest attributable to the equity holders of the Company according to the proportion of ordinary shares indirectly held by the Company through OCG Thailand (BVI).

The financial statements of the Company's subsidiaries that fall into the years ended 31 March 2007, 2008 and 2009 (the "Relevant Periods") have been audited as follows:

Company	**Financial period**	**Auditors**
OCG China	Year ended 31 December 2006 and 31 December 2007	海南立信長江會計師事務所 Hainan Lixin Changjiang Certified Public Accountants *
	Year ended 31 December 2008	海南天勤會計師事務所 Hainan Tianqin Certified Public Accountants *
OCG Thailand	Year ended 31 March 2007, 31 March 2008 and 31 March 2009	Sam Nak-Ngan A.M.C. Company Limited

OCG China and OCG Thailand prepared their statutory financial statements for the above periods in accordance with their respective local accounting standards.

There is no statutory audit requirement for other subsidiaries of the Company.

* *The English names are for identification purpose only.*

(b) Reorganisation

For the preparation of the initial listing ("Initial Listing") of the shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the companies now comprising the Group underwent a reorganisation ("Reorganisation") to rationalise its corporate structure.

Following the Reorganisation, Charm Act, OCG China (BVI) and OCG Thailand (BVI) became the intermediate holding companies and the Company became the holding company of the Group. The steps of the Reorganisation are summarized below.

- On 7 May 2007, OCG China (BVI) and OCG Thailand (BVI) were incorporated in the BVI with limited liability, each with an authorised capital of US$50,000 divided into 50,000 shares of US$1 each, with one share being allotted and issued for cash at par by each of them to OCG Asia.

- Pursuant to an equity interest transfer agreement in Chinese dated 20 July 2007, OCG China (BVI) acquired from Oriental City Group Limited ("OCG HK") its 100% equity interest in OCG China at a consideration of HK$10,000. The transfer was approved by the People's Government of Haikou City (海口市人民政府) on 11 December 2007.

- On 16 October 2007, OCG Thailand (BVI) acquired 1,225,000 ordinary shares of OCG Thailand, representing 49% of its then issued and paid-up ordinary share capital, from OCG HK at a total consideration of HK$10,000.

- Prior to 28 April 2009, to comply with laws and regulations of Thailand on foreign invested companies, the Group operated its card acceptance business through OCG Thailand whose 11% ordinary equity interest ("11% Security Interest") was held by Mr. Panthong Limpkittisin ("Mr. Limpkittisin"), a senior management personnel of OCG Thailand.

  The paid-up capital of the 11% Security Interest was funded by OCG HK, through a loan of Baht 687,500 (equivalent to approximately HK$151,250) extended to Mr. Limpkittisin. OCG HK had entered into certain agreements ("Structured Contracts") with Mr. Limpkittisin, including loan agreement ("Loan Agreement") for Mr. Limpkittisin to contribute paid-up ordinary share capital to OCG Thailand, share purchase option agreement ("Share Purchase Agreement") for OCG HK to acquire the 11% Security Interest in OCG Thailand subject to compliance with Thailand's laws, pledge of shares agreement ("Pledge of Shares Agreement") over the 11% Security Interest of OCG Thailand held by Mr. Limpkittisin, and proxy agreement ("Proxy Agreement") irrevocably authorising individuals designated by the OCG HK to exercise the equity owners' rights over OCG Thailand, whichever is applicable.

  On 28 December 2007, OCG HK (a) assigned to OCG Thailand (BVI) (i) all the interest and benefit of its loan in the aggregate of Baht 687,500 (equivalent to approximately HK$151,250) advanced to Mr. Limpkittisin and (ii) all its right and interest under the Share Purchase Agreement, entered into between OCG HK and Mr. Limpkittisin; and (b) released unto Mr. Limpkittisin the Pledge of Shares Agreement entered into between OCG HK and Mr. Limpkittisin, at a total consideration of HK$2,245. On 28 December 2007, Mr. Limpkittisin pledged the 11% Security Interest to OCG Thailand (BVI) under a new pledge of shares agreement and irrevocably and unconditionally authorised individuals designated by OCG Thailand (BVI) to exercise the equity owner's right over 11% Security Interest under a new proxy agreement, after which OCG Thailand (BVI) holds, other than its 49% legal interest, the 11% Security Interest in OCG Thailand.

The Group believes that, notwithstanding the lack of equity ownership, the contractual arrangements described above give the Group control over OCG Thailand in substance. Accordingly, the financial position and operating results of OCG Thailand are included in the Group's combined financial information to the extent of 60% effective interest, which includes the 49% ordinary equity interest plus the 11% Security Interest.

- On 30 November 2007, Charm Act was incorporated in the BVI with limited liability, with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each, with one share being allotted and issued for cash at par to OCG Asia.

- On 12 December 2007, the Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorised share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each, of which one share was allotted and issued at nil paid (the "Subscriber's Share") to the subscriber and subsequently transferred to OCG Asia.

- On 31 March 2008, (i) OCG HK assigned to OCG Thailand (BVI) the amount due from OCG Thailand of HK$2,628,617 for a consideration of HK$1; (ii) OCG HK assigned to OCG China (BVI) the amount due from OCG China of HK$1,210,053 for a consideration of HK$1; and (iii) OCG HK assigned to Charm Act the amount due from OCG China (BVI) of HK$198,807 for a consideration of HK$1. As OCG HK is wholly owned by the Controlling Party, the amount assigned has been credited as deemed capital contribution from the Controlling Party in the equity.

- On 28 April 2009, OCG Thailand (BVI) exercised the option in the Share Purchase Agreement to acquire the 11% Security Interest from Mr. Limpkittisin at a consideration of Baht 687,500 (equivalent to approximately HK$151,250). At the same time, Mr. Limpkittisin fully repaid the outstanding loan of Baht 687,500 (equivalent to approximately HK$151,250) and the accrued interest of Baht 63,299 (equivalent to approximately HK$13,926) to OCG Thailand (BVI). Accordingly, the contractual arrangements entered into between Mr. Limpkittisin and OCG Thailand (BVI) ceased to operate on the same date.

- Pursuant to a special resolution passed in an extraordinary meeting of shareholders of OCG Thailand held on 28 April 2009, OCG Thailand allotted 550,000 preference shares to its minority shareholder at a total consideration of Baht 1,375,000 (equivalent to approximately HK$302,500).

- On [•••] 2009, Charm Act acquired the respective entire issued share capital of OCG China (BVI) and OCG Thailand (BVI) from OCG Asia in consideration for which Charm Act issued and allotted the respective 9 and 90 shares to OCG Asia, all credited as fully paid.

- On [•••] 2009, the authorised share capital of the Company was increased from HK$390,000 to HK$20,000,000 by the creation of an additional 1,961,000,000 shares of HK$0.01 each.

- On [•••] 2009, the Company acquired the entire issued capital of Charm Act from OCG Asia in consideration for which the Company (i) issued and allotted a total of 893,332 shares to OCG Asia, all credited fully paid and (ii) credited as fully paid the nil paid Subscriber's Share.

- On [•••] 2009, the Company issued and allotted a total of 106,667 shares to the following individuals:

Name	Position	No. of shares
Mr. Yu Chun Fai	Executive director	53,334
Ms. Wong Lai Chun	Non-executive director	13,333
Mr. Sung Hak Keung, Andy	Company secretary	26,667
Mr. Kanjanapas Shui Yiu Kelvin	Ex-director of OCG Thailand	13,333

(c) Basis of presentation

As the Company and all its subsidiaries now comprising the Group were ultimately controlled by the Controlling Party before and after the Reorganisation, the Reorganisation is considered as a business combination under common control in a manner similar to pooling-of-interests and the merger accounting under Hong Kong Accounting Guideline 5 "Merger Accounting Under Common Control Combination" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). As further explained in Note 2 below, the financial information in Section A above presents the combined results, combined changes in equity, combined cash flows and combined financial positions (collectively referred to as the "Combined Financial Information") of the companies now comprising the Group as if the current group structure had been in existence on 1 April 2006, the beginning of the earliest period presented.

In addition, the Controlling Party provided certain corporate administration services, including sharing of office premises and salary expenses for management team, to the companies now comprising the Group without charges during the Relevant Periods.

Given the cost of those corporate administration services was part of business activities of the companies now comprising the Group, the following costs as shared with the Controlling Party have been charged to the combined income statements and credited as deemed capital contribution from the Controlling Party in the equity.

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Corporate administration expenses	620,000	690,000	300,000

2. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The Combined Financial Information has been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong.

The Combined Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and the Hong Kong Companies Ordinance.

During the Relevant Periods, the HKICPA issued a number of new, revised and amended HKFRS. For the purpose of preparing the Combined Financial Information, the Group has consistently adopted all of these new, revised and amended HKFRS that are relevant to its operations and effective during the Relevant Periods.

The Group has not early applied the following new, revised and amended HKFRS that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendments)	Eligible hedged items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Improving Disclosure about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC)-Int 13	Customers Loyalty Programmes[5]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

[2] Effective for annual periods beginning on or after 1 January 2009

[3] Effective for annual periods beginning on or after 1 July 2009

[4] Effective for annual periods ending on or after 30 June 2009

[5] Effective for annual periods beginning on or after 1 July 2008

[6] Effective for annual periods beginning on or after 1 October 2008

[7] Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2009. HKAS 27 (Revised) will affect the Group's accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new, revised and amended HKFRS will have no material impact on the results and financial position of the Group.

A summary of the significant accounting policies adopted and consistently applied by the Group in the preparation of the Combined Financial Information is set out below.

(b) Basis of preparation

It should be noted that accounting estimates and assumptions have been used in preparing the Combined Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas where assumptions and estimates are significant to the Combined Financial Information or areas involving higher degree of judgement or complexity are set out in Note 3 below.

The measurement basis used in the preparation of the Combined Financial Information is historical costs.

(c) Basis of combinations

The Combined Financial Information comprises the financial statements of the Company and all of its subsidiaries for the Relevant Periods. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies.

The net assets of the combining entities or businesses are combined using the existing book values from the Controlling Party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the Controlling Party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded have been recognised directly in equity as part of the capital reserve. The Combined Financial Information includes the results of each of the combining entities or businesses from the date of incorporation/establishment or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

All significant intra-group transactions, balances and unrealised gains on transactions have been eliminated on combination. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the combined income statements and within equity in the combined balance sheets, separately from equity holders of the parent. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. In acquiring minority interests, the difference between the consideration paid and the carrying value of the share of the net assets acquired is recognised as a deduction from equity. Disposals to minority interests result in gains and losses for the Group are recorded in equity.

(d) Subsidiaries

A subsidiary, is an entity, in which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the combined income statements during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Office equipment	20%
Leasehold improvement	33.33% (over the lease term of 3 years)

(f) Impairment of property, plant and equipment

At each balance sheet date, the Group reviews internal and external sources of information to determine whether the carrying amounts of its property, plant and equipment have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimate the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment losses is recognised as income immediately.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the combined income statements.

Impairment of financial assets

At each balance sheet date, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate.

Impairment loss is reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

The Group's financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

(h) Cash equivalents

For the purpose of the combined cash flow statements, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

(i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Annual and transaction fee income are generally recognised on an accrual basis when the service has been provided, which generally coincides with the time when the transactions are approved and executed.

Foreign exchange rate discount income is recognised when the foreign currency denominated funds are received from a card acceptance business partner who offered a favourable exchange rate in settling its outstanding payable to the Group and converted into local currency which is usually on every business day.

(j) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Combined Financial Information are presented in the currency of Hong Kong Dollars ("HK$"), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency of each of the Group's entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the combined income statements.

On combination, the results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each income statement are translated at average rate; and

– all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity. On disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation is recognised in the combined income statements when the gain or loss on disposal is recognised.

(k) Operating leases – leasee

Leases are classified as finance leases whenever the lease transfer substantially all the rewards and risks of ownership of assets to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the combined income statements on a straight-line basis over the term of the relevant lease.

(l) Employee benefits

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the combined income statements as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

In accordance with the rules and regulations in the PRC and Thailand, the employees of the Group's entities established in the PRC and Thailand participate in defined contribution retirement benefits plans organised by local governments. Contributions to these plans are expensed as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees. For the Relevant Periods, the employer's contribution made by the Group and charged to combined income statements are disclosed in Note 8 below.

(m) Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the Combined Financial Information. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

(n) Related parties

A party is related to the Group if

(a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(b) the party is an associate of the Group;

(c) the party is a joint venture in which the Group is a venturer;

(d) the party is a member of the key management personnel of the Group or its parents;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, which are described in Note 2 above, management has made various estimates and judgements which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements are continually evaluated. The key source of estimation uncertainty and accounting judgements that result in significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial period or significantly affect the amounts recognised in the Combined Financial Information are discussed below:

(a) Critical judgements made in applying accounting policies

(i) Subsidiary

As detailed in Note 1(b) above, OCG Thailand is accounted for as a subsidiary as a consequence of the Structured Contracts, significant judgements have been exercised by the management in assessing and concluding that OCG Thailand is a subsidiary of the Group throughout the Relevant Periods.

(b) Key sources of estimation uncertainty

(i) Useful lives of property, plant and equipment

The management determines the estimated useful lives of the Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in the combined income statements.

(ii) Impairment of financial assets

The management determines the provision for impairment of the Group's financial assets based on the current creditworthiness and the past collection history of each customers and other debtors and the current market condition. If the financial conditions of the Group's customers and other debtors were to deteriorate, resulting in an impairment of their ability to make payments, provision may be required.

(iii) Impairment of property, plant and equipment

The management determines whether the Group's property, plant and equipment is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the recoverable amount of the property, plant and equipment, which is equal to the higher of net selling price or the value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the property, plant and equipment and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to combined income statements.

4. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's principal financial instruments comprise current accounts with related parties, restricted and unrestricted bank balances and cash. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are (i) foreign currency risk, (ii) interest rate risk, (iii) credit risk and (iv) liquidity risk. The Group does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluates risks and generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum as follows:

(i) Foreign currency risk

The Group mainly operates in the PRC and Thailand with majority of business transactions being denominated and settled in Renminbi ("RMB") and Baht, which are the functional currencies of the relevant subsidiaries.

However, as detailed in Note 13 below, US Dollars ("US$") is also used to collect the Group's revenue from the operation of CUP cards clearing system in Thailand. The Group currently does not have a foreign currency hedging policy but the management monitors the related foreign currency risk exposure closely and will consider hedging significant foreign currency risk exposure should the need arise.

The following tables details the Group's sensitivity to a reasonably daily change of 1% in exchange rate of US$ against Baht while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted their translation at each balance sheet date for 1% change in foreign currency rates.

	Year ended 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
Gain (loss)			
– if US$ strengthens against Baht	11,692	13,400	23,269
– if US$ weakens against Baht	(11,559)	(13,293)	(22,949)

The Group's operation of card acceptance business involves conversion of US$ denominated funds into Baht on daily basis, the above sensitivity analysis on period-end exposure may be unrepresentative of a risk inherent in the Combined Financial Information for the Relevant Periods.

In addition, as detailed in Note 14 and Note 15 below, the restricted bank balances and part of the unrestricted bank balances and cash are denominated either in RMB or Baht. The conversion of RMB and Baht into foreign currencies, including HK$, is subject to the rules and regulations of foreign exchange control promulgated by the PRC and Thailand government respectively.

(ii) Interest rate risk

The Group has no interest-bearing borrowing. The Group's exposure to changes in interest rates is mainly attributable to its interest-bearing financial assets including restricted and unrestricted bank balances and cash as detailed in Note 14 and Note 15 below. However, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management considers that the interest rate risk encountered by the Group is currently not significant.

(iii) Credit risk

Credit risk mainly arises from restricted and unrestricted bank balances and cash, trade receivables, other receivables and due from related parties. The Group limits its exposure to credit risk by rigorously selecting the counterparties with reference to their past credit history and/or market reputation. The Group's exposure to the maximum credit risk is summarised as follows:

	At 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
Restricted bank balances	600,322	3,732,702	2,552,930
Bank balances and cash	260,745	2,011,658	674,966
Trade receivables	1,380,502	1,372,219	2,272,570
Other receivables	40,963	3,595,390	5,080,187
Due from related parties	190,687	196,778	13,230

The credit risk on trade receivables, restricted and unrestricted bank balances is limited because the counterparties are financial institutions with high credit ratings and the transactions with them, and any significant transactions with other parties, are approved by the board of directors. Management does not expect any counterparty to fail to meet its obligations.

The Group reviews the recoverable amount of each individual debtor, including related and third parties, at each balance sheet date to ensure adequate impairment losses are made for irrecoverable amounts.

There was one trade debtor accounted for more than 94% of the total outstanding trade receivables for each of the balance sheet dates. The management considers the credit risk in respect of this debtor is minimal because it is an authorized financial institution in the PRC with high credit ratings and there is no history of default or late payment.

None of the Group's financial assets are securitised by collateral or other credit enhancements.

(iv) Liquidity risk

Management of the Group aims at maintaining sufficient level of cash and cash equivalents to finance the Group's operations and expected expansion. The Group's primary cash requirements include payments for operating expenses and additions or upgrades of property, plant and equipment. The Group finances its working capital requirements mainly by the funds generated from operations and advanced from related parties.

All the financial liabilities of the Group will be settled within 12 months from the respective reporting date. The Group manages liquidity risk by forecasting the amount of cash required and monitoring the working capital of the Group to ensure that all liabilities due and known funding requirements could be met.

Given the margin earned from the Group's card acceptance business in Thailand is sufficient to cover its operating costs, the Group's liquidity risk for Thailand's operation is minimal.

The board of directors monitors the cashflows requirement for the Group's co-branded card partnership business in the PRC by reviewing monthly operation report and budget. Based on the existing operation scale, the Group is able to finance the PRC operation with internal resources.

Based on the assessment of the management, the overall liquidity risk encountered by the Group is minimal.

(b) Capital management

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders. No changes were made in the objectives, policies or processes during the Relevant Periods.

(c) Categories and fair value of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities are set out as follows:

	At 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Loans and receivables:			
Trade and other receivables	1,612,152	5,164,387	7,365,987
Restricted bank balances	600,322	3,732,702	2,552,930
Bank balances and cash	260,745	2,011,658	674,966
	2,473,219	10,908,747	10,593,883
Financial liabilities measured at amortised costs:			
Trade and other payables	5,706,873	8,848,258	8,406,314

The carrying value of above financial assets and liabilities approximate their fair values due to the short-term maturity of these balances.

5. SEGMENT INFORMATION

Based on risks and returns and the Group's internal financial reporting, the management considers that the primary reporting format of the Group is by business segment. The business segments of the Group comprise:

(i) card acceptance business in Thailand

(ii) co-branded card partnership business in the PRC

Geographical segment is the secondary reporting format of the Group. 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 already disclosed together with business segment information as follows:

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Year ended 31 March 2007

	Card acceptance business *HK$*	Co-branded card partnership business *HK$*	Combined *HK$*
Segment revenue	1,677,496	171,440	1,848,936
Segment results	(777,838)	(312,764)	(1,090,602)
Unallocated corporate administration expenses			(620,000)
Unallocated interest and other income			8,662
Loss before taxation			(1,701,940)
Taxation			–
Loss for the year			(1,701,940)
Segment assets	3,271,751	96,937	3,368,688
Segment liabilities	4,830,288	876,585	5,706,873
Other information			
Capital expenditures	28,166	–	28,166
Depreciation	307,287	956	308,243

Year ended 31 March 2008

	Card acceptance business	Co-branded card partnership business	Combined
	HK$	*HK$*	*HK$*
Segment revenue	7,147,702	132,395	7,280,097
Segment results	1,566,916	(537,535)	1,029,381
Unallocated corporate administration expenses			(690,000)
Unallocated interest and other income			9,890
Unallocated other expenses			(4,115)
Profit before taxation			345,156
Taxation			–
Profit for the year			345,156
Segment assets	7,820,151	149,858	7,970,009
Unallocated corporate assets			3,519,560
Combined total assets			11,489,569
Segment liabilities	5,355,571	2,694	5,358,265
Unallocated corporate liabilities			3,489,993
Combined total liabilities			8,848,258
Other information			
Capital expenditures	11,081	3,555	14,636
Depreciation	345,095	1,338	346,433

Year ended 31 March 2009

	Card acceptance business	Co-branded card partnership business	Combined
	HK$	*HK$*	*HK$*
Segment revenue	7,708,282	99,163	7,807,445
Segment results	732,701	(273,383)	459,318
Unallocated corporate administration expenses			(300,000)
Unallocated interest and other income			27,451
Unallocated other expenses			(139,257)
Profit before taxation			47,512
Taxation			307,977
Profit for the year			355,489
Segment assets	6,199,011	39,001	6,238,012
Unallocated corporate assets			5,189,513
Combined total assets			11,427,525
Segment liabilities	5,122,608	7,996	5,130,604
Unallocated corporate liabilities			3,275,710
Combined total liabilities			8,406,314
Other information			
Capital expenditures	406,263	–	406,263
Depreciation	397,819	–	397,819

6. REVENUE

Revenue represents the share of annual and transaction fee income from co-branded card partnership business, transaction fee income and foreign exchange rate discount income from card acceptance business and are analysed by category as follows:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Co-branded card annual fee income	91,780	86,087	74,307
Co-branded card transaction fee income	79,660	46,308	24,856
Card acceptance transaction fee income	1,380,504	4,430,024	5,838,660
Foreign exchange rate discount income	296,992	2,717,678	1,869,622
	1,848,936	7,280,097	7,807,445

7. OTHER INCOME

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Bank interest income	4,379	6,414	11,962
Other interest income	3,620	3,476	15,489
Exchange gain	663	–	–
Marketing and promoting sponsorship fees received	255,574	199,205	4,621
	264,236	209,095	32,072

8. (LOSS) PROFIT BEFORE TAXATION

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Staff costs			
Salaries, allowances and the other short-term employee benefits	768,615	1,107,206	1,035,138
Contributions to defined contribution plans	19,934	33,706	83,714
	788,549	1,140,912	1,118,852
Other items			
Auditors' remuneration	21,277	29,703	23,926
Depreciation of property, plant and equipment	308,243	346,433	397,819
Loss on disposal of property, plant and equipment	–	14,625	799
Operating lease charges on premises	2,315	16,158	56,769

9. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(i) Directors' remuneration

The aggregate amount of remuneration paid and payable to the directors of the Company by the Group during the Relevant Periods is as follows:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Executive director			
Mr. Yu Chun Fai	–	–	–
Non-executive director			
Ms. Wong Lai Chun	–	–	–
Independent non-executive directors			
Mr. Chan Chun Wai	–	–	–
Mr. Tsang Siu Tung	–	–	–
Mr. Chan Wing Cheung, Joseph	–	–	–
	–	–	–

During the Relevant Periods, no emoluments were paid by the Group to any of the directors as an inducement to join the Group or upon joining the Group as compensation for loss of office and none of the directors has waived or agreed to waive any emoluments.

(ii) Five highest paid individuals

Details of the five highest paid individuals, which none of them is a director of the Company, for the Relevant Periods, are as follows:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Salaries, allowances and other short-term employee benefits	673,854	798,405	882,416
Contributions to defined contribution plans	14,568	16,330	13,380
	688,422	814,735	895,796

The remuneration paid to each of the above individuals during the Relevant Periods fell within the band of HK$nil to HK$1,000,000.

During the Relevant Periods, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join the Group or upon joining the Group as compensation for loss of office and none of them has waived nor agreed to waive any emoluments.

10. TAXATION

	Year ended 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
Current tax	–	–	–
Deferred tax			
Benefit of tax losses	–	–	307,977
Tax credit for the year	–	–	307,977

(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 Relevant Periods.

(ii) Income taxes outside Hong Kong

The Company is incorporated in the Cayman Islands as an exempted company and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the BVI are incorporated under International Business Act of the BVI and, accordingly, are exempted from payment of the BVI income tax.

OCG Thailand is subject to Thailand income tax at 30%. However, no Thailand income tax has been provided for the Relevant Periods as OCG Thailand either incurred losses for taxation purposes or its assessable profits are wholly absorbed by unrelieved tax losses brought forward from previous periods.

OCG China is subject to state and local income taxes in the PRC at a standard rate of 30% and 3% respectively, up to 31 December 2007. Pursuant to the Income Tax Law for Foreign Invested Enterprises and Foreign Owned Enterprise of the PRC which was abolished on 1 January 2008, OCG China was eligible to enjoy a preferential enterprise income tax rate of 15%.

In March 2007, the National People's Congress enacted a new *Enterprise Income Tax Law*, which became effective on 1 January 2008. In December 2007, the State Council promulgated the *Implementation Regulations to the EIT Law* and the *Notice to Enterprise Income Tax Transition Incentive Policy*, which also became effective on 1 January 2008. However, no income tax has been provided as OCG China incurred losses for taxation purposes during the Relevant Periods.

Under those laws and regulations, a unified income tax rate of 25% will apply to all domestic and foreign invested enterprises, unless they qualify for special tax benefits under certain limited exceptions. The applicable income tax for enterprises incorporated in special economic zones (including Hainan Province) which were subject to the enterprise income tax rate of 15% in year 2007 will be increased to 18% in year 2008, 20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012 respectively. Since the deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the periods when the asset is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets and deferred tax liabilities of OCG China. As OCG China does not recognise any deferred tax assets and deferred tax liabilities at the balance sheet dates, there is no impact on the financial position or results.

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.

Reconciliation of tax credit

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
(Loss) Profit before taxation	(1,701,940)	345,156	47,512
Income tax at applicable tax rate	(464,315)	184,399	41,591
Non-deductible expenses	191,771	208,000	122,408
Utilisation of previously unrecognised tax losses	–	(472,919)	(375,939)
Unrecognised tax losses	251,892	87,094	35,135
Unrecognised temporary differences	20,652	(6,574)	176,805
Recognition of previously unrecognised deferred tax assets	–	–	307,977
Tax credit for the year	–	–	307,977

The applicable tax rate is a weighted average tax rate calculated by dividing sum of nominal income tax (credit) expenses computed with the tax rates prevailing in the territories in which the Group's entities operate against (loss) profit before taxation. The change in applicable tax rate is caused by changes in the taxable profits of the Group's subsidiaries in the respective countries.

11. (LOSSES) EARNINGS PER SHARE FOR (LOSS) PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(Losses) Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results for the Relevant Periods on combined basis as disclosed in Note 1 and Note 2 above.

12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Leasehold improvement	Total
	HK$	*HK$*	*HK$*
Cost			
At 1 April 2006	1,360,392	41,688	1,402,080
Additions	28,166	–	28,166
Exchange realignment	257,726	7,941	265,667
At 31 March 2007 and 1 April 2007	1,646,284	49,629	1,695,913
Additions	14,636	–	14,636
Disposals	–	(51,594)	(51,594)
Exchange realignment	53,347	1,965	55,312
At 31 March 2008 and 1 April 2008	1,714,267	–	1,714,267
Additions	406,263	–	406,263
Disposals	(3,688)	–	(3,688)
Exchange realignment	(198,654)	–	(198,654)
At 31 March 2009	1,918,188	–	1,918,188
Accumulated depreciation			
At 1 April 2006	368,932	13,897	382,829
Charge for the year	293,460	14,783	308,243
Exchange realignment	104,965	4,407	109,372
At 31 March 2007 and 1 April 2007	767,357	33,087	800,444
Charge for the year	343,860	2,573	346,433
Disposals	–	(36,969)	(36,969)
Exchange realignment	22,228	1,309	23,537
At 31 March 2008 and 1 April 2008	1,133,445	–	1,133,445
Charge for the year	397,819	–	397,819
Disposals	(2,889)	–	(2,889)
Exchange realignment	(148,545)	–	(148,545)
At 31 March 2009	1,379,830	–	1,379,830
Net book value			
At 31 March 2009	538,358	–	538,358
At 31 March 2008	580,822	–	580,822
At 31 March 2007	878,927	16,542	895,469

13. TRADE AND OTHER RECEIVABLES

		At 31 March		
		2007	2008	2009
	Note	*HK$*	*HK$*	*HK$*
Trade receivables		1,380,502	1,372,219	2,272,570
Other receivable				
Deposits, prepayments and other receivables		40,963	3,595,390	5,080,187
Due from related parties	*23(iii)*	190,687	196,778	13,230
		231,650	3,792,168	5,093,417
		1,612,152	5,164,387	7,365,987

The ageing analysis of trade receivables as at 31 March 2007, 31 March 2008 and 31 March 2009, based on the invoice date, is as follows:

	At 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
Outstanding balances with ages:			
30 days or below	1,346,390	1,348,298	2,256,407
31 – 90 days	34,112	23,921	16,163
	1,380,502	1,372,219	2,272,570

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. As at each of the balance sheet dates, all trade receivables are fully performing.

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the Group's entities:

	At 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
US$	1,302,008	1,317,834	2,215,533

14. RESTRICTED BANK BALANCES

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

15. BANK BALANCES AND CASH

Bank balances and cash are denominated in:

	At 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
HK$	484	56,427	101,269
RMB	37,834	48,365	85,584
Baht	222,427	1,906,866	488,113
	260,745	2,011,658	674,966

16. TRADE AND OTHER PAYABLES

		At 31 March		
		2007	**2008**	**2009**
	Note	*HK$*	*HK$*	*HK$*
Trade payables		1,918,459	5,105,165	4,953,935
Other payables				
Accrued charges and other payables		183,953	1,200,728	1,050,861
Due to related parties	*23(iv)*	3,604,461	2,542,365	2,401,518
		3,788,414	3,743,093	3,452,379
		5,706,873	8,848,258	8,406,314

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.

17. SHARE CAPITAL

The Company was incorporated on 12 December 2007 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands as a holding company of the Group.

The Company's authorised share capital is HK$390,000 divided into 39,000,000 shares of HK$0.01 each. On the date of incorporation and as at 31 March 2008 and 31 March 2009, 1 share of HK$0.01 was issued at nil paid.

18. CAPITAL RESERVE

For the purpose of the preparation of the combined balance sheets, the capital reserve represents the aggregate amount of the nominal value of the registered capital of the companies comprising the Group less consideration paid to acquire the relevant interest, after adjusting the registered capital held by those attributable to the minority shareholders, and the deemed capital contribution from the Controlling Party as detailed in Note 1(b) and Note 1(c) above.

19. EXCHANGE RESERVE

Exchange reserve of the Group comprises all foreign exchange differences arising from translation of the financial statements of the Group's subsidiaries. The reserve is dealt with in accordance with the accounting policy set out in Note 2(j) above.

20. CASH GENERATED FROM OPERATIONS

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
(Loss) Profit before taxation	(1,701,940)	345,156	47,512
Deemed corporate administration expenses	620,000	690,000	300,000
Depreciation	308,243	346,433	397,819
Foreign exchange differences	(58,575)	62,930	12,054
Interest income	(7,999)	(9,890)	(27,451)
Loss on disposal of property, plant and equipment	–	14,625	799
Changes in working capital:			
Restricted bank balances	(600,322)	(3,113,205)	742,536
Trade and other receivables	(1,062,604)	(3,496,711)	(961,420)
Trade and other payables	2,558,909	6,904,935	509,910
Cash generated from operations	55,712	1,744,273	1,021,759

21. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2007, the Group's additions to property, plant and equipment of HK$28,166 were paid by OCG HK on behalf of the Group. These transactions were dealt with in the current accounts with OCG HK.

During the year ended 31 March 2008, the amounts due to OCG HK of HK$4,037,477 have been capitalised in capital reserve.

22. DEFERRED TAX ASSETS

Recognised deferred tax assets

At 31 March 2009, the Group has recognised deferred tax assets of HK$295,284 in respect of unused tax losses of HK$984,280 carried forward by OCG Thailand because it is probable that future taxable profit will be available against which OCG Thailand can utilise the benefits therefrom before their expiry as follows:

	HK$
Year 2011	265,641
Year 2012	718,639
	984,280

The movement in the Group's deferred tax assets was as follows:

	At 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
At beginning of year	–	–	–
Income statement credit	–	–	307,977
Exchange difference	–	–	(12,693)
At the balance sheet date	–	–	295,284
Amount expected to be recovered within 12 months	–	–	295,284

Unrecognised deferred tax assets

The Group has not recognised deferred tax assets in respect of the tax losses, as set out below, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses will be expired as follows:

	At 31 March		
	2007	2008	2009
	HK$	*HK$*	*HK$*
Year 2010	993,948	–	–
Year 2011	1,870,657	1,693,153	650,131
Year 2012	974,403	1,103,595	309,342
Year 2013	–	580,626	633,410
Year 2014	–	–	175,670
	3,839,008	3,377,374	1,768,553

23. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Combined Financial Information, the Group has the following transactions/balances with the following related parties during the Relevant Periods:

(i) Name of and relationship with the related parties

Name of related parties	Relationship
Mr. Yu Chun Fai and Ms. Wong Lai Chun	Directors of the Company
Mr. Limpkittisin	A senior management personnel of OCG Thailand
VGI Group Company Limited	A minority shareholder OCG Thailand
VGI Global Media Company Limited	A company of which a substantial shareholder of VGI Group Company Limited is a director
OCG Asia	Immediate holding company of the Group
OCG HK	A fellow subsidiary of the Group
OCG UK	Ultimate holding company of the Group

(ii) Significant connected and related party transactions during the Relevant Periods

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
[##]Interest income received from:			
– VGI Group Company Limited	2,982	3,476	2,259
– Mr. Limpkittisin	–	–	13,230
[##]Office rental, stationery and electricity expenses paid to:			
– VGI Global Media Company Limited	1,915	–	–
[##]Administration expenses paid to:			
– VGI Global Media Company Limited	21,702	26,733	24,434
[##]Share of consultancy fee expenses paid to a senior management personnel:			
– OCG HK	90,625	–	–
[#]Administrative service fee paid to:			
– OCG HK	–	–	57,560
[##]Share of corporate administration expenses:			
– OCG UK	620,000	690,000	300,000

The transactions with OCG HK/OCG UK are concluded on cost-shared basis, while the transactions with other related parties are concluded on arms-length basis. The directors of the Company consider that all related party transactions were carried out in the ordinary course of business and on normal commercial terms.

[#] *Connected transactions will be continued after the successful initial listing of the shares of the Company on the Growth Enterprise Market of the Stock Exchange*

[##] *Connected transactions will be discontinued after the successful initial listing of the shares of the Company on the Growth Enterprise Market of the Stock Exchange*

(iii) Amount due from related parties as at 1 April 2006, 31 March 2007, 31 March 2008 and 31 March 2009

	At 1 April	At 31 March		
	2006	**2007**	**2008**	**2009**
	HK$	*HK$*	*HK$*	*HK$*
Amount due from related parties:				
– VGI Group Company Limited	160,177	190,687	196,778	–
– Mr. Limpkittisin	–	–	–	13,230
	160,177	190,687	196,778	13,230

Maximum amount due from related parties during the Relevant Periods is as follows:

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Amount due from related parties:			
– VGI Group Company Limited	190,687	196,778	196,778
– Mr. Limpkittisin	–	–	13,230

The amount due from VGI Group Company Limited was unsecured, interest bearing at 1.75% per annum and was wholly repayable within one year from each of the balance sheet dates. The amount had already settled in November 2008. The amount due from Mr. Limpkittisin is unsecured, interest free and repayable on demand.

(iv) Amounts due to related parties as at 31 March 2007, 31 March 2008 and 31 March 2009

	At 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Amounts due to related parties:			
– Mr. Yu Chun Fai	–	–	75,605
– VGI Global Media Company Limited	72,014	31,285	2,089
– OCG HK	3,532,447	2,511,080	2,296,881
– OCG UK	–	–	26,943
	3,604,461	2,542,365	2,401,518

The balances are unsecured, interest-free and have no fixed term of repayment.

(v) Key management remuneration

	Year ended 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Salaries, allowances and other short-term employee benefits	547,319	719,499	806,317
Contributions to defined contribution plans	3,830	8,414	8,460
	551,149	727,913	814,777

Key management represents the directors and other senior management personnel disclosed in the Prospectus. The remuneration of key management is determined by the board of directors having regard to the performance of individuals and market trends.

(vi) Indemnities given by related parties

OCG Asia, Mr. Yu Chun Fai and Ms. Wong Lai Chun, have executed a deed of indemnity for joint and several undertakings to indemnify the Group from and against all claims, liabilities, losses, costs and expenses which the Group may suffer or incur in connection with various legal and operating exposures which may be encountered by the Group on or before the date of which the Initial Listing becomes unconditional. Based on the assessment of the management, the total estimated maximum exposure, if any, of the Group in respect of the exposures is approximately HK$1.8 million. Details of the indemnities are set out in Appendix V to the Prospectus.

24. OPERATING LEASE COMMITMENTS

The Group has leased a number of office premises under operating leases, which typically run for a period of 3 years. None of the leases includes contingent rentals.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	At 31 March		
	2007	**2008**	**2009**
	HK$	*HK$*	*HK$*
Within one year	34,114	30,413	84,161
In the second to fifth years inclusive	45,014	16,039	–
	79,128	46,452	84,161

25. CONTINGENT LIABILITIES

The Group and the Company did not have significant contingent liabilities as at 31 March 2007, 31 March 2008, and 31 March 2009.

26. SUBSEQUENT EVENTS

Other than the Reorganisation set out in Note 1(b) above, the following events took place subsequent to 31 March 2009 and up to the date of this report:

(a) On 28 April 2009, the amount due from Mr. Limpkittisin of HK$13,230 as at 31 March 2009 was collected.

On 4 May 2009, the amount due to VGI Global Media Company Limited of HK$2,089 as at 31 March 2009 was settled.

On 13 August 2009, the Group obtained an unsecured 3-months short term loan of HK$4,000,000 from an independent third party, which carries interest at 5% per annum.

On 14 August 2009, the amount due to Mr. Yu Chun Fai of HK$75,605 as at 31 March 2009 was settled.

On 14 August 2009, the amount due to OCG HK of HK$2,296,881 as at 31 March 2009 was settled.

On 14 August 2009, the amount due to OCG UK of HK$26,943 as at 31 March 2009 was settled.

(b) Pursuant to the written resolution of the shareholders of the Company passed on [•••] 2009, the Company has conditionally adopted a share option scheme ("Share Option Scheme"). The principal terms of the Share Option Scheme are set out in Appendix V to the Prospectus.

27. FINANCIAL INFORMATION OF THE COMPANY

The Company was incorporated in the Cayman Islands on 12 December 2007 and has remained inactive since incorporation and hence no net assets or distributable reserves of the Company were presented for the Relevant Periods.

C. DIRECTORS' REMUNERATION

Save as disclosed in Note 9(i) of Section B above, no remuneration has been paid or is payable in respect of the Relevant Periods to the directors of the Company.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group, Company or any of its subsidiaries in respect of any period subsequent to 31 March 2009.

Yours faithfully,

Mazars CPA Limited
Certified Public Accountants
Hong Kong

Fung Shiu Hang
Practising Certificate Number: P04793

The following is the text of a letter, summary of values and valuation certificates received from GA Appraisal Limited, an independent valuer, in connection with its valuation as at 30 June 2009 of property interests of the Group in Hong Kong, Thailand and the PRC.

Unit B, 4th Floor
Kiu Fu Commercial Building
300-306 Lockhart Road
Wanchai
Hong Kong

GA APPRAISAL LIMITED
天基資產評估有限公司

Date: [•••] 2009

The Board of Directors
Oriental City Group Holdings Limited
Room 505, 5th Floor,
Nan Fung Tower,
No. 173 Des Voeux Road Central,
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which Oriental City Group Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in Hong Kong, the People's Republic of China (the "PRC") and Thailand, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 30 June 2009 (the "date of valuation").

Our valuations of the property interests represent the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

We have attributed no commercial value to the property interests which are leased by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Our valuation has been made on the assumption that the seller sell the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited ("GEM Listing Rules"); the RICS Appraisal and Valuation Standards (6th Edition September 2008) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition January 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been provided with copies of title documents and tenancy agreements relating to the property interests and have caused searches to be made at the Hong Kong Land Registry in relation to the property interests located in Hong Kong. However, we have not searched the original documents to verify ownership or to ascertain any amendment.

We have been provided by the Group with copy of the tenancy agreement relating to the property in the PRC. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrances that might be attached to the property interests or any lease amendments. We have relied considerably on the advice given by the Company's PRC legal adviser – Fangda Partners, concerning the validity of the Group's interests to the property.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the properties but have assumed that the floor areas shown on the documents and official floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken. We have also assumed that there was not any material change of the properties in between date of our inspection and the valuation date.

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the properties. We are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have not undertaken a survey to determine whether the mechanical and electrical systems within the properties (or the building or development in which they are located) would be adversely affected on or after the year 2000 and as such have assumed that the properties and those systems would be unaffected.

When the property is located in a relatively under-developed market, such as the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the property depending upon the assumptions made. While the valuer has exercised his professional judgement in arriving at the value, investors are urged to consider carefully the nature of such assumptions that are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese or Thai context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollars.

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
GA Appraisal Limited
Evan K L Yuen
MRICS MHKIS
Registered Professional Surveyor
General Manager – Real Estate

Note: Mr. Evan K L Yuen is a Chartered Valuation Surveyor and a Registered Professional Surveyor who has more than 13 years' experience in the valuation of properties in the PRC, Hong Kong and the South East Asia (including Thailand, South Korea, Indonesia & Philippines).

SUMMARY OF VALUES

Group I: Property interests rented and occupied by the Group in Hong Kong

No.	Property	Capital value in existing state as at 30 June 2009 *HK$*
1.	Room 505, 5th Floor, Nan Fung Tower, No. 173 Des Voeux Road Central & Nos. 84-86 Connaught Road Central, Hong Kong	No commercial value
	Sub-total:	Nil

Group II: Property interests rented and occupied by the Group in Thailand

No.	Property	Capital value in existing state as at 30 June 2009 *HK$*
2.	Portion of Level 1, TST Tower, 21 Viphavadi-Rangsit Road, Jomphol, Jatujak, Bangkok, Thailand	No commercial value
	Sub-total:	Nil

THIS WEB PROOF INFORMATION PACK IS IN DRAFT FORM. The information contained in it is incomplete and is subject to change. This Web Proof Information Pack must be read in conjunction with the section headed "Warning" on the cover of this Web Proof Information Pack.

Group III: Property interests rented and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 30 June 2009 *HK$*
3.	Portion of business hall on Level 2, Yintong International Center, No. 45 Guomao Avenue, Jinmao District, Haikou Shi, Hainan Province, The PRC	No commercial value
	Sub-total:	Nil
	Grand-total:	**Nil**

VALUATION CERTIFICATE

Group I: Property interests rented and occupied by the Group in Hong Kong

	Property	Description	Particular of occupancy	Capital value in existing state as at 30 June 2009 *HK$*
1.	Room 505, 5th Floor, Nan Fung Tower, No. 173 Des Voeux Road Central & Nos. 84-86 Connaught Road Central, Hong Kong	The property comprises an office unit on 5th floor of a 27-storey mixed office and commercial building built over a level of basement carparking spaces and completed in about 1973. The property has a gross floor area of approximately 120.77 sq.m. (1,300 sq.ft.).	The property has been sublet to the Group from an independent third party for a term of eight months commencing from 1 January 2009 and expiring on 31 August 2009 at a monthly rent of HK$14,000 (inclusive of rates and service charges). We have been informed that the property was occupied by the Group as office, as at the date of valuation.	No commercial value

Notes:

1. The registered owner of the property is Century Wealth Development Limited.

2. Pursuant to a stamped tenancy agreement signed between Century Wealth Development Limited (the "Head Landlord") and Kwok Chi Kwong and Chow Yiu Wah Joseph trading as JYC & Co. (the "Head Leasee") dated 18 September 2006, the property is leased to the latter party for a term of 3 years commencing from 1 September 2006 and expiring on 31 August 2009 at a monthly rent of HK$22,000 (exclusive of management fees, air-conditioning charges, government rates and all other outgoings).

3. Pursuant to a tenancy agreement signed between the Head Leasee and Oriental City Group China Limited dated 19 December 2008, the property has been sub-let to the latter party for a term of 8 months commencing from 1 January 2009 and expiring on 31 August 2009 at a monthly rent of HK$14,000 (inclusive of rates and service charges). We have been advised that as at the date of valuation, consent from the registered owner has not been obtained in respect of the sub-tenancy.

4. Both the Head Landlord, Century Wealth Development Limited and the Head Leasee, Kwok Chi Kwong and Chow Yiu Wah Joseph trading as JYC & Co., are independent third parties which are not connected with and are independent of, any of directors, chief executives or shareholders of the Company or any of its subsidiaries, or any of their respective associates.

5. The tenant is Oriental City Group China Limited, in which the Company holds 100% interest.

6. The property is subject to Deed of Mutual Covenant and Management Agreement, Supplemental Deed of Mutual Covenant and Management Agreement and Second Supplemental Deed of Mutual Covenant and Management Agreement all in favour of Great Peace Development Limited.

7. The property is subject to Memorandum of Change of Name.

8. The property is subject to Mortgage to secure banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited.

9. The building falls within an area zoned for "Commercial/Residential" on Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22 dated 12 September 2008.

Group II: Property interests rented and occupied by the Group in Thailand

	Property	Description	Particular of occupancy	Capital value in existing state as at 30 June 2009 *HK$*
2.	Portion of Level 1, TST Tower, 21 Viphavadi–Rangsit Road, Jomphol, Jatujak, Bangkok, Thailand	The property comprises a portion of office space on Level 1 of a 23-storey office building completed in about 1989. The property has a floor area of approximately 16 sq.m. (172.22 sq.ft.).	The property is leased to the Group from an independent third party for a term of 3 years commencing from 9 February 2007 at a monthly rent of baht 2,176 (exclusive of furniture and fixture charge and service charge). We have been informed that the property was occupied by the Group as office, as at the date of valuation.	No commercial value

Notes:

1. The owner of the property is DNAL Company Limited.

2. Pursuant to a tenancy agreement signed between DNAL Company Limited and Oriental City Group (Thailand) Co., Ltd. dated 9 February 2007, the property is leased to the Group for a term of 3 years commencing from 9 February 2007 at a monthly rent of baht 2,176 (exclusive of furniture and fixture charge and service charge). Subletting or assignment of the lease is prohibited.

3. The Landlord, DNAL Company Limited, is an independent third party which is not connected with and is independent of, any of directors, chief executives or shareholders of the Company or any of its subsidiaries, or any of their respective associates.

4. The Tenant is Oriental City Group (Thailand) Co., Ltd. in which the Company holds 100% interest.

Group III: Property interests rented and occupied by the Group in The PRC

	Property	Description	Particular of occupancy	Capital value in existing state as at 30 June 2009 *HK$*
3.	Portion of business hall on Level 2, Yintong International Center, No. 45 Guomao Avenue, Jinmao District, Haikou Shi, Hainan Province, The PRC	The property comprises a portion of business hall on Level 2 of a 36-storey office building completed in about 1995. The property has a floor area of approximately 80.00 sq.m. (861.12 sq.ft.).	The property is leased to the Group from an independent third party for a term of 3 years commencing from 25 February 2008 at nil rent (inclusive of management fees, electricity charges and water charges). We have been informed that the property was occupied by the Group as sales office, as at the date of valuation.	No commercial value

Notes:

1. The owner of the property is 交通銀行海南分行 (Bank of Communications Hainan Branch).

2. Pursuant to a co-operative agreement signed between 交通銀行海南分行 (Bank of Communications Hainan Branch) and 奧思知 (海南) 服務有限公司 (Oriental City Group (Hainan) Service Co., Ltd.) dated 15 February 2008, the property is leased to 奧思知 (海南) 服務有限公司 (Oriental City Group (Hainan) Service Co., Ltd.) complimentary (inclusive of management fees, electricity charges and water charges) for 3 years commencing from 25 February 2008. Subletting or assignment of the occupation is prohibited.

3. The Landlord, 交通銀行海南分行 (Bank of Communications Hainan Branch), is an independent third party which is not connected with and is independent of, any of directors, chief executives or shareholders of the Company or any of its subsidiaries, or any of their respective associates.

4. The Tenant is 奧思知 (海南) 服務有限公司 (Oriental City Group (Hainan) Service Co., Ltd.) in which the Company holds 100% interest.

5. We have been provided with a legal opinion on the legality of the tenancy of the property issued by the Company's PRC legal adviser, which contains, inter alia, the following:–

   (i) The Building Ownership Certificate bearing reference No. 海口市房權証海房字第 HK001032號 dated 22 December 1999 issued by 海口市房產管理局 (Haikou Shi Building Asset Management Bureau) indicates that 交通銀行海南分行 (Bank of Communications Hainan Branch), is the legitimate owner of the property.

   (ii) The Lease Clause is legal, valid, enforceable and binding upon both 奧思知 (海南) 服務有限公司 (Oriental City Group (Hainan) Service Co., Ltd.) and 交通銀行海南分行 (Bank of Communications Hainan Branch).

Set out below is a summary of certain provisions of the memorandum and articles of association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 December 2007 under the Companies Law. The memorandum of association (the "Memorandum") and the articles of association (the "Articles") of the Company comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on [•••] 2009. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with the Company or any of its subsidiaries.

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer

of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is interested or potentially interested, but this prohibition shall not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;

(ee) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in 5 percent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or

(ff) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s) as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of

salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-

election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office or director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;

(bb) becomes of unsound mind or dies;

(cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) if he is prohibited from being a director by law;

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(viii) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

(ix) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(c) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any

preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days, specifying

the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five (95)% in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given.

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)).

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than 15 months after the holding of the last preceding annual general meeting or a period of 18 months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meeting shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Company other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five (95)% in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty (20)% in nominal value of its existing issued share capital; and

(gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(m) Dividends and other methods of distribution

Subject to the Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(n) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty (20)% per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty (20)% per annum as the board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours on every business day by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to

sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; (e) writing-off the

expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in the Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner or purchase, a company cannot purchase

any of its own shares unless the manner of purchase has first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as be persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Management

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 3 January 2008.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

(n) Winding up

A company may be wound up by either an order of the Court or by a special resolution of its members. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidator; and the Court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval.

A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (pari passu if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting shall be called by Public Notice (as defined in the Companies Law) or otherwise as the Registrar of Companies of the Cayman Islands may direct.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five (75)% in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than ninety (90)% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES

1. Incorporation of the Company

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company on 12 December 2007 with an authorised share capital of HK$390,000 divided into 39,000,000 Shares, one of which was allotted and issued nil paid (the "Subscriber's Share") to the subscriber to the memorandum of association of the Company. As the Company was incorporated in the Cayman Islands, it operates subject to its constitution which comprises a memorandum of association and the articles of association of the Company.

2. Changes in share capital of the Company

(a) The nil paid Subscriber's Share was transferred to OCG Asia on 12 December 2007.

(b) The share capital of the Company was increased from HK$390,000 to HK$20,000,000 by the creation of a further 1,961,000,000 Shares on [•••] 2009.

(c) Pursuant to the Reorganisation and as consideration for the acquisition by the Company from OCG Asia of 100 ordinary shares of US$1.00 each in the capital of Charm Act Group Limited, representing its entire issued share capital, on [•••] 2009, (i) [•••] Shares, all credited as fully paid, were issued and allotted to OCG Asia; and (ii) the nil paid Subscriber's Share then held by OCG Asia was credited as fully paid at par.

(d) On [•••] 2009, the Company issued and allotted a total of 106,667 Shares to the following directors, ex-director and members of the senior management of the Group:–

Name	Position	No. of shares
Yu Chun Fai	Executive Director	[•••]
Wong Lai Chun	Non-executive Director	[•••]
Sung Hak Keung, Andy	Company secretary	[•••]
Kanjanapas Shui Yiu Kelvin	Ex-director of OCG Thailand	[•••]

(e) Assuming that the Placing becomes unconditional and the Placing and the Capitalisation Issue are completed but taking no account of any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the options to be granted under the Share Option Scheme, [•••] Shares will be issued fully paid or credited as fully paid, and [•••] Shares will remain unissued. Other than pursuant to the exercise of the Offer Size Adjustment Option and any option which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and, without the prior approval of the members in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed herein and in paragraphs 1, 3 and 4 of this Appendix, there has been no alteration in the share capital of the Company since its incorporation.

Save as disclosed herein, the Company has no founder shares, management shares or deferred shares.

3. Written resolutions passed by the sole shareholder of the Company

On [•••] 2009, pursuant to resolutions in writing passed by the sole shareholder of the Company:

(a) the Company adopted its existing articles of association;

(b) conditional on the same conditions as stated in the section headed "[•••]" of this prospectus:

(i) the Placing and the grant of the Offer Size Adjustment Option were approved and the Directors were authorised to allot and issue the Placing Shares (including any Shares which may be required to be issued if the Offer Size Adjustment Option is exercised);

(ii) the rules of the Share Option Scheme, the principal terms of which are set out in paragraph 11 of this Appendix, were approved and adopted and the Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme;

(iii) conditional on the share premium account being credited as a result of Placing, the Directors were authorised to capitalise HK$[•••] standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par [•••] Shares for allotment and issue to holders of Shares whose names appeared on the register of members of the Company at the close of business on [•••] 2009 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective holdings in the Company;

(iv) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights, scrip dividend schemes or similar arrangements in accordance with the articles of association of the Company, or pursuant to the exercise of the Offer Size Adjustment Option or the exercise of any options which may be granted under the Share Option Scheme or under the Placing or the Capitalisation Issue, Shares or securities convertible into Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue, and (bb) the

aggregate nominal amount of the share capital of the Company which may be repurchased by the Company pursuant to the authority granted to the Directors as referred to in sub-paragraph (v) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable Cayman Islands law, or the passing of an ordinary resolution by shareholders of the Company revoking or varying the authority given to the Directors, whichever occurs first; and

(v) a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the completion of the Placing and the Capitalisation Issue until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable Cayman Islands law, or the passing of an ordinary resolution by shareholders of the Company revoking or varying the authority given to the Directors, whichever occurs first.

4. Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the listing of the Shares on GEM which involved the following:

(a) On 7 May 2007, Oriental City Group Hong Kong Limited, OCG China (BVI) and OCG Thailand (BVI) were incorporated in BVI with limited liability, each with an authorised capital of US$50,000 divided into 50,000 shares of US$1.00 each, with one share being allotted and issued for cash at par by each of the said new companies to OCG Asia.

(b) On 1 June 2007, Oriental City Group Hong Kong Limited acquired 23,116,988 shares of HK$0.00001 each of OCG HK, representing its entire issued share capital, from OCG Asia at a total consideration of HK$10,000.

(c) Pursuant to an equity interest transfer agreement in Chinese dated 20 July 2007, OCG China (BVI) acquired from OCG HK its 100% equity interest in OCG China at a total consideration of HK$10,000. The transfer was approved by the People's Government of Haikou City (海口市人民政府) on 11 December 2007.

(d) On 16 October 2007, OCG Thailand (BVI) acquired 1,225,000 shares of OCG Thailand, representing 49% of its then issued share capital, from OCG HK at a total consideration of HK$10,000 (equivalent to approximately Baht 45,455).

(e) On 28 December 2007, OCG HK (a) assigned to OCG Thailand (BVI) (i) all the interest and benefit of its loan in the aggregate amount of Baht 687,500 (equivalent to approximately HK$151,250) advanced to Mr. Limpkittisin, a then 11% shareholder of OCG Thailand and (ii) all its rights and interest under the share purchase option agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin; and (b) released unto Mr. Limpkittisin the 275,000 shares of OCG Thailand (the "11% Security Interest") pledged by him under the pledge of shares agreement dated 22 June 2005 entered into between OCG HK and Mr. Limpkittisin, at the total consideration of HK$2,245. On 28 December 2007, Mr. Limpkittisin pledged the Pledged Shares to OCG Thailand (BVI) under a new pledge of shares agreement. As such, OCG Thailand (BVI) held, other than its 49% legal interest, 11% Security Interest in OCG Thailand from 28 December 2007 to 27 April 2009. Please refer to the paragraph headed "5. Changes in share or registered capital of subsidiaries and subsidiary established by the Group in the PRC" for the change of shareholding structure of OCG Thailand.

(f) On 30 November 2007, Charm Act Group Limited was incorporated in BVI with limited liability, with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each, with one share being allotted and issued for cash at par to OCG Asia.

(g) On 12 December 2007, the Company was incorporated in the Cayman Islands.

(h) On 31 March 2008, (i) OCG HK assigned to OCG Thailand (BVI) the amount of HK$2,628,617 due from OCG Thailand for a consideration of HK$1.00; (ii) OCG HK also assigned to OCG China (BVI) the amount of HK$1,210,053 due from OCG China for a consideration of HK$1.00; and (iii) OCG HK also assigned to Charm Act Group Limited part of the outstanding amount of HK$2,697,642 due to OCG HK from OCG China (BVI) in the sum of HK$198,807 for a consideration of HK$1.00.

(i) On [•••] 2009, Charm Act Group Limited acquired the respective entire issued share capitals of OCG China (BVI) and OCG Thailand (BVI) from OCG Asia in consideration for which Charm Act Group Limited issued and allotted the respective 9 and 90 shares to OCG Asia, all credited as fully paid.

(j) On [•••] 2009, the Company acquired the entire issued share capital of Charm Act Group Limited from OCG Asia in consideration for which the Company (i) issued and allotted a total of [•••] Shares to OCG Asia, all credited as fully paid and (ii) credited as fully paid the nil paid Subscriber's Share which was transferred to OCG Asia on 12 December 2007, after which the Company became the sole registered and beneficial owner of Charm Act Group Limited.

5. Changes in share or registered capital of subsidiaries and subsidiary established by the Group in the PRC

The subsidiaries of the Company are listed in the accountants' report set out in Appendix I to this prospectus.

On 22 January 2008, the registered capital of OCG China was approved to be increased from HK$100,000 to HK$150,000.

On 14 February 2008, Miss Apinya Supsakuncharoen transferred her one share (or 0.00004%) in OCG Thailand at a nominal consideration of Baht 2.5 (being the fund originally invested by her in such share) to Miss Patcharin Pinkoksoong.

On 3 October 2008, VGI Group Co., Ltd. transferred all its 999,993 shares in OCG Thailand, representing 39.99972% of its then issued share capital, to Mrs. Nongluck Anantachote at a consideration of Baht 99,999.30.

On 28 April 2009, the registered capital of OCG Thailand was approved by its shareholders to be increased in the amount of Baht 5,500,000 from Baht 25,000,000 to Baht 30,500,000 by the creation and issuance of 550,000 new preference shares of par value Baht 10 per share. Each preference share has the following rights attached: (a) one (1) vote for every five (5) shares held on any resolution of OCG Thailand; (b) the right to receive cumulative dividend declared by OCG Thailand at the rate of 9% of the paid up value of the shares issued, prior to the holders of ordinary shares; and (c) the right to receive the distribution of the share capital, in the case of the winding up of OCG Thailand, prior to the holders of ordinary shares, but limited to the paid up amount of each of the preference shares.

On 28 April 2009, OCG Thailand issued and allotted the said 550,000 preference shares to Mrs. Nongluck Anantachote for cash, of which Baht 2.5 per share with a total amount of Baht 1,375,000 was paid as called.

On 28 April 2009, OCG Thailand (BVI) exercised its option pursuant to the share purchase option agreement to buy back from Mr. Limpkittisin his 275,000 shares in OCG Thailand for a consideration of Baht 687,500 (equivalent to approximately HK$151,250). At the same time Mr. Limpkittisin repaid OCG Thailand (BVI) the loan extended to him by OCG Thailand (BVI) and the interest thereon in the total sums of Baht 750,799 (equivalent to approximately HK$165,176) being the principal amount of Baht 687,500 (equivalent to approximately HK$151,250) plus the accrued interest of Baht 63,299 (equivalent to approximately HK$13,926). Accordingly, the contractual arrangements previously entered into between Mr. Limpkittisin and OCG Thailand (BVI) ceased to operate on the same date. On the same day, each of Ms. Penchan Tungcharuwatanachai and Mr. Mantan Saihad transferred her/his one share (or 0.00004%) in OCG Thailand at a nominal consideration of Baht 2.5 (being the fund originally invested by each of them in such share) to Mrs. Nongluck Anantachote.

Accordingly, with effect from 28 April 2009, OCG Thailand is owned by 3 shareholders and is owned as to 49.18033% by OCG Thailand (BVI), 50.81964% by Mrs. Nongluck Anantachote, and 0.00003% by Miss Patcharin Pinkoksoong with the Group having the right to receive economic benefit of 60% and voting rights at 57.47126%.

Save as disclosed herein and in paragraph 4 of this Appendix, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

The Group has established OCG China, the basic information of which is set out as follows:–

奧思知(海南)服務有限公司 (for identification purpose only, Oriental City Group (Hainan) Services Ltd.)

(i)	Economic nature	:	wholly foreign-owned enterprise
(ii)	Total investment	:	HK$170,000
(iii)	Registered capital	:	HK$150,000
(iv)	Term :		twenty (20) years commencing from 24 October 2005 and ending on 23 October 2025
(v)	Scope of business	:	The provision of ancillary service and various economic information consulting service in respect of the marketing on bank cards and its relevant payment platform products
(vi)	Date of establishment	:	24 October 2005
(vii)	Registered owner	:	OCG China (BVI) (100%)
(viii)	Registered office	:	海口市金貿區國貿大道45銀通國際中心二樓營業大廳
(ix)	Sole director	:	Mr. Yu
(x)	Legal representative	:	Mr. Yu

6. Repurchase by the Company of its own securities

This paragraph 6 includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its own securities.

(a) GEM Listing Rules

The GEM Listing Rules permit a company with a primary listing on GEM to repurchase its securities on GEM subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on GEM must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the resolutions in writing passed by the sole shareholder of the Company on [•••] 2009, a general unconditional mandate (the "Repurchase Mandate") was given to the Directors authorising any repurchase by the Company of Shares on GEM or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal value of the share capital of the Company in issue and to be issued as mentioned in this prospectus, such mandate to expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable laws of the Cayman Islands, or when revoked or varied by an ordinary resolution of shareholders of the Company in general meeting, whichever shall first occur.

(ii) Connected persons

The GEM Listing Rules prohibit a company from knowingly repurchasing securities on GEM from a "connected person", that is, a director, chief executive or substantial shareholder or management shareholder (each as defined in the GEM Listing Rules) of the company or any of its subsidiaries or his or her or its associates (as defined in the GEM Listing Rules) and a connected person shall not knowingly sell his or her or its securities to the company.

(iii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the laws of the Cayman Islands. A listed company is prohibited from repurchasing its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Cayman Islands law, any repurchase by the Company may be made out of profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the articles of association of the Company and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing the credit of the share premium account of the Company or, if authorised by the articles of association of the Company and subject to the Companies Law, out of capital.

(b) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have general authority from the shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its subsidiaries and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(c) Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of [•••] Shares in issue immediately after the listing of the Shares, the exercise in full of the Repurchase Mandate would result in up to [•••] Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company and its subsidiaries or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company and its subsidiaries.

(d) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a Share repurchase, a shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code as a result of such increase. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase made pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public fall below 25% of the total number of Shares in issue.

The Company had not repurchased any Shares (whether on GEM or otherwise) during the six months immediately prior to the Latest Practicable Date.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he or she or it has present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

7. Registration under Part XI of the Companies Ordinance

The Company has established its head office and a principal place of business in Hong Kong for the purpose of registration under Part XI of the Companies Ordinance at Room 505, 5th Floor, Nan Fung Tower, No. 173 Des Voeux Road Central & Nos. 84-86 Connaught Road Central, Hong Kong. The address for service of process and notices of the Company is the same as its said principal place

of business in Hong Kong. On 30 January 2009, the Company was registered as an oversea company under Part XI of the Companies Ordinance. The application contains a notice of appointment of Mr. Yu, as agent of the Company for the acceptance of service of process and notices in Hong Kong.

FURTHER INFORMATION ABOUT THE BUSINESS

8. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

(a) a supplemental agreement dated 16 October 2007 entered into between (1) OCG HK (2) OCG Thailand (BVI) and (3) OCG Thailand pursuant to which a sale and purchase agreement dated 1 June 2007 was amended to the effect that the number of the sale shares concerned was clarified to be 1,225,000 shares and the completion of the sale and purchase of shares of OCG Thailand was postponed to 16 October 2007;

(b) a supplemental agreement in Chinese dated 26 November 2007 between (1) 交通銀行海南省分行 (2) OCG HK and (3) OCG China whereby OCG HK agreed to transfer to OCG China all its rights, interests and obligations in the co-operative agreement dated 24 February 2005 entered into between 交通銀行海南省分行 and OCG HK;

(c) an assignment dated 28 December 2007 between (1) OCG HK, (2) OCG Thailand (BVI) and (3) Mr. Limpkittisin whereby, inter alia, OCG HK assigned to OCG Thailand (BVI) all the rights, title, benefit and interest of and in the loan of Baht 687,500 and the call option to purchase 275,000 shares of OCG Thailand at the option price of Baht 687,500, for a consideration of HK$2,245;

(d) a new pledge of shares agreement dated 28 December 2007 between (1) OCG Thailand (BVI) and (2) Mr. Limpkittisin whereby Mr. Limpkittisin pledged the Pledged Shares in favour of OCG Thailand (BVI) in consideration of OCG Thailand (BVI) continuing to grant the loan in the aggregate amount of Baht 687,500 (equivalent to approximately HK$151,250) to Mr. Limpkittisin;

(e) a co-operative agreement dated 15 February 2008 entered into between (1) 交通銀行股份有限公司海南分行 and (2) OCG China whereby (i) 交通銀行股份有限公司海南分行 and OCG China agreed to further develop the business of the payment card business in the PRC for a period of three years from 25 February 2008 to 24 February 2011 (the "Period") and (ii) 交通銀行股份有限公司海南分行 agreed to let to OCG China the premises known as portion of business hall on Level 2, Yintong International Center, No. 45 Guomao Avenue, Jinmao District, Haikou Shi, Hainan Province, the PRC for the Period at nil rent (inclusive of management fees, electricity charges and water charges);

(f) an assignment dated 31 March 2008 between (1) OCG HK, (2) OCG Thailand (BVI) and (3) OCG Thailand whereby OCG HK confirmed the assignment to OCG Thailand (BVI) of the amount due from OCG Thailand in the sum of Baht 12,745,487 (equivalent to HK$2,628,617) for a consideration of HK$1.00 on 31 March 2008;

(g) an assignment dated 31 March 2008 between (1) OCG HK, (2) OCG China (BVI) and (3) OCG China whereby OCG HK confirmed the assignment to OCG China (BVI) of the amount due from OCG China in the sum of HK$1,210,053 for a consideration of HK$1.00 on 31 March 2008;

(h) an assignment dated 31 March 2008 between (1) OCG HK, (2) Charm Act Group Limited and (3) OCG China (BVI) whereby OCG HK agreed to assign to Charm Act Group Limited part of the outstanding amount HK$2,697,642 due to OCG HK from OCG China (BVI) in the sum of HK$198,807 for a consideration of HK$1.00 with effect from 31 March 2008;

(i) an administrative service agreement dated 30 January 2009 as supplemented by a supplemental agreement dated 26 May 2009 between (1) OCG HK and (2) OCG China (BVI) whereby OCG China (BVI) engaged OCG HK to provide human resources and administrative services for a term commencing from 1 February 2009 to 31 January 2012 at a monthly service fee of HK$32,000 for the first 2 months and HK$23,000 for the remaining term;

(j) an assignment and transfer of domain name dated 5 February 2009 between (1) OCG HK and (2) the Company whereby OCG HK assigned to the Company all the right, title, benefit and interest of the domain name www.ocg.com.hk for a consideration of HK$1;

(k) a loan agreement dated 13 August 2009 entered into between (1) Silver Rainbow Assets Limited as lender; and (2) OCG China (BVI) as borrower whereby Silver Rainbow Assets Limited has agreed to advance a loan in the sum of HK$4,000,000 to OCG China (BVI) at an interest rate of 5% per annum;

(l) a sale and purchase agreement dated [•••] 2009 between (1) OCG Asia and (2) Charm Act Group Limited whereby Charm Act Group Limited acquired the respective entire issued share capitals of OCG China (BVI) and OCG Thailand (BVI) from OCG Asia in consideration for which Charm Act Group Limited issued and allotted the respective 9 and 90 shares to OCG Asia, all credited as fully paid;

(m) a share purchase agreement dated [•••] 2009 between (1) OCG Asia and (2) the Company whereby the Company acquired the entire issued share capital of Charm Act Group Limited from OCG Asia in consideration for which the Company (i) issued and allotted a total of [•••] Shares to OCG Asia, all credited as fully paid and (ii) credited as fully paid the nil paid Subscriber's Share which was transferred to OCG Asia on 12 December 2007;

(n) a non-competition undertaking dated [•••] 2009 executed by OCG UK, Mr. Yu and Ms. Wong Lai Chun in favour of the Company and its subsidiaries containing certain non-competition undertakings to the Group;

(o) a deed of indemnity dated [•••] 2009 executed by OCG Asia, Mr. Yu and Ms. Wong Lai Chun in favour of the Company and its present subsidiaries containing indemnities in respect of taxation and other indemnities referred to in paragraph 12 of this Appendix; and

(p) the Placing Agreement.

9. Intellectual property rights of the Group

As at the Latest Practicable Date, the Group has applied for registration in the following territories of the following trademarks, the registration of which is still subject to the approval of the relevant trade mark registries:

Trade Mark	Classes	Application Date	Application Number	Goods covered	Territory
Oriental City Group 奧思知集團	36	13 March 2008	689649	Class no. 36: Credit card service; issuance of credit card; banking service	Thailand
奧思知集團	36	5 March 2008	6578996	Class no. 36: banking; fund investment; financing service; financial management; financial consulting; credit card service; issuance of credit card; launch of credit card; debit card service; investigation concerning credit card	the PRC

As at the Latest Practicable Date, the Group has registered the following trademark in Hong Kong:

Trade Mark	Classes	Registration Date	Registration Number	Goods covered	Territory
Oriental City Group 奧思知集團	35 and 36	31 December 2007	301024028	Class no 35: Advertising; marketing; customer relationship management; business management; business development; all included in Class 35 Class no 36: Credit card services; lifestyle theme cards (credit card and payment/bank card) issuance; financial services; payment services; all included in Classes 36	Hong Kong

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT, STAFF AND EXPERTS

10. Disclosure of interests

(a) Particulars of service agreement

The executive Director has entered into a service agreement with the Company in relation to the provision of his services as director of the Company. Particulars of such service agreement are set out below:

(i) The service agreement is for an initial fixed period of three years commencing on [•••] 2009 and will continue thereafter unless and until terminated by either party by not less than three months' prior written notice.

(ii) The monthly salary and allowances (if any) for the executive Director during his term of employment are set out below:

Name	Monthly salary	Monthly housing allowance
Mr. Yu	50,000	30,000

(iii) The executive Director is entitled to an annual discretionary management bonus after the end of each financial year not exceeding 5% of the audited combined profits of the Group attributable to shareholders of the Company (after taxation and minority interests but before extraordinary or exceptional items and before such management bonus).

(iv) The executive Director will abstain and not be counted in the quorum in respect of any resolution regarding the amount of monthly salary, expenses allowance and bonus available to himself.

Save as aforesaid, none of the Directors has or is proposed to have a service agreement with the Company or any of its subsidiaries (other than agreements expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(b) Directors' remuneration

(i) During each of the three years ended 31 March 2009, no remuneration has been paid, and no benefits in kind has been granted, by the Group to the Directors.

(ii) None of the Directors or any past directors of any member of the Group has been paid any sum of money for each of three years ended 31 March 2009 (i) as an inducement to join or upon joining the Company or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

(iii) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended 31 March 2009.

(iv) It is estimated that approximately HK$560,000 will be paid to the executive Director as remuneration and benefits in kind (including the allowances as referred to in sub-paragraph (a)(ii) above but excluding the annual discretionary management bonus as referred in to sub-paragraph (a)(iii) above) for the financial year ending 31 March 2010.

(v) Each of the non-executive Director and independent non-executive Directors will receive a director's fee of HK$100,000 per annum.

(c) Interests and short positions of Directors in the share capital of the Company and its associated corporations immediately after the Placing and the Capitalisation Issue

(i) Immediately following the completion of the Placing and the Capitalisation Issue, the Directors will have the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which will have 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 are taken or deemed to have under such provisions of the SFO) once the Shares are listed on the Stock

Exchange, or which will be required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange once the Shares are listed on GEM:

The Company

Long positions in Shares

Name	Capacity	Number of Shares	Percentage of shareholding
Mr. Yu	Corporate interest – Interest in controlled Corporation *(Note 1)*	[•••]	[•••]%
Mr. Yu	Beneficial owner	[•••]	[•••]%
Ms. Wong Lai Chun	Beneficial owner	[•••]	[•••]%

Note 1: These Shares will be held by OCG Asia which is in turn wholly-owned by OCG International, a company wholly-owned by OCG UK. As Mr. Yu is the beneficial owner of the entire issued share capital of Straum Investments Limited, a controlling shareholder of OCG UK, Mr. Yu is deemed to be interested in the [•••] Shares held by OCG Asia under the SFO.

Mr. Yu's interests in the associated corporations

Name of associated corporations	Capacity	Number of of shares	Percentage of shareholding
OCG Asia	Corporate	23,116,988	100%
OCG International	Corporate	23,116,988	100%
OCG UK	Corporate	15,026,374 shares	45.36%
Straum Investments Limited	Corporate	1 share of US$1	100%
Oriental City Group Hong Kong Limited	Corporate *(Note 2)*	1 share of US$1	100%
OCG HK	Corporate *(Note 2)*	23,116,988 shares of HK$0.00001 each	100%
Oriental City Group Bank Limited	Corporate *(Note 3)*	1,000 shares of US$1,000 each	100%

Notes :

(2) As Oriental City Group Hong Kong Limited and OCG HK are the fellow subsidiaries of the Company, Mr. Yu is deemed to be interested in these shares under the SFO.

(3) As Oriental City Group Bank Limited is wholly-owned by OCG International, Mr. Yu is deemed to be interested in its shares under the SFO.

(d) Persons who have notifiable interests or short positions which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders (as defined under the GEM Listing Rules) of other members of the Group

So far as is known to the Directors, and taking no account of any Placing Shares which may be taken up under the Placing, the following, not being a Director or the chief executive of the Company, will, immediately following completion of the Placing and the Capitalisation Issue, have an interest or short position 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, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

The Company

Long positions in Shares

Name	**Capacity**	**Number of Shares**	**Percentage of shareholding**
OCG Asia	Beneficial owner *(Note)*	[•••]	[•••]%
OCG International	Interest in controlled corporation *(Note)*	[•••]	[•••]%
OCG UK	Interest in controlled corporation *(Note)*	[•••]	[•••]%
Straum Investments Limited	Interest in controlled Corporation *(Note)*	[•••]	[•••]%

Note: OCG Asia is a company wholly-owned by OCG International which is in turn wholly-owned by OCG UK, a company incorporated in England and Wales and listed on PLUS of which Straum Investments Limited is the controlling shareholder. Accordingly, each of OCG International, OCG UK and Straum Investments Limited is deemed to be interested in [•••] Shares held by OCG Asia under the SFO.

Shares of Baht 10 per share of OCG Thailand

Name	Number of shares	Percentage of shareholding
Mrs. Nongluck Anantachote	999,999 ordinary shares and 550,000 preference shares	50.81964%

(e) Personal/corporate guarantees

The Directors have not provided any guarantee in favour of lenders in connection with any banking facilities granted to the Group.

(f) Agency fees or commissions received

The Joint Lead Managers will receive a commission of 3.5% of the Placing Price per Placing Share in respect of all the Placing Shares, out of which they will pay any commissions and selling concessions. The Sponsor will also receive a documentation fee. Such commissions, selling concessions, documentation fees and expenses, together with the Stock Exchange listing fees, legal and other professional fees, and printing and other expenses relating to the Placing, which are estimated to amount in aggregate to approximately HK$13 million, will be payable by the Company.

(g) Related party transactions

During the two years preceding the date of this prospectus, the Group had engaged in dealings with certain Directors and their associates as described in:

(i) note 23 of the Accountants' Report set out in Appendix I to this prospectus;

(ii) paragraph 4 of this Appendix; and

(iii) the paragraph headed "Connected transactions" in the section headed "Business" of this prospectus.

Save as disclosed therein, the Group had not engaged in any other material transactions with its related parties.

(h) Disclaimers

Save as disclosed in this prospectus:

(i) and taking no account of any Shares which may be taken up or acquired under the Placing or upon the exercise of the Offer Size Adjustment Option and any option which may be granted under the Share Option Scheme, the Directors are not aware of any person who immediately following the Placing and the Capitalisation Issue will hold either directly or indirectly, or be beneficially interested in, 10% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of any member of the Group;

(ii) none of the Directors or the chief executive of the Company who, as at the Latest Practicable Date, has any interest or short position in any share, underlying share and debenture of the Company or any of its associated corporations (within the meaning of the SFO), which will have to be notified to the Company and the Stock Exchange once the Shares are listed on the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed on the Stock Exchange, or which will be required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange once the Shares are listed on GEM;

(iii) save in particular as disclosed in paragraphs 4 and 10 of this Appendix and note 23 of the Accountants' Report set out in Appendix I to this prospectus, none of the Directors or the experts named in paragraph 17 of this Appendix has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group;

(iv) save in particular as disclosed in note 23 of the Accountants' Report set out in Appendix I to this prospectus and paragraph 10 of this Appendix, no Director is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole; and

(v) none of the experts named in paragraph 17 of this Appendix has any shareholding in any company within the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company within the Group.

11. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by resolutions in writing of the sole shareholder of the Company passed on [•••] 2009:

(a) Purpose of the Share Option Scheme

The Share Option Scheme is set up for the purpose of recognising and motivating the contribution of the eligible persons (as more particularly set out in sub-paragraph (b) below) to the Company and/or any of its subsidiaries and/or Invested Entity (as defined below).

(b) Who may join

The board of Directors or a duly authorised committee thereof (the "Board") may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to any person belonging to any of the following classes of participants, an option to subscribe for Shares at a price determined as described in sub-paragraph (e) below.

(i) any employee (whether full time or part time) of the Company, any of its subsidiaries or any entity (the "Invested Entity") in which the Company or any of its subsidiaries holds an equity interest, including any executive director but excluding any non-executive director of the Company, any of its subsidiaries or any Invested Entity;

(ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;

(iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;

(iv) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;

(v) any business collaborator, business consultant, joint venture or business partner, technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity; or

(vi) any associate of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to the above classes of participants. For the avoidance of doubt, the grant of any option by the Company for the subscription of shares or other securities of the Company or its subsidiaries to any person who falls within any of the above classes of participants shall not, by itself, unless the Board otherwise determines, be construed as a grant of option.

The basis of eligibility of any of the above classes of participants to the grant of any option shall be determined by the Board at its sole and absolute discretion from time to time.

(c) Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company will not exceed 30% of the issued share capital of the Company from time to time provided that:

(i) the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes must not, in aggregate, exceed [•••] Shares, representing 10% of the issued share capital of the Company (assuming that the Offer Size Adjustment Option is not exercised) as at the date of listing of the Shares on GEM unless shareholders' approval has been obtained pursuant to sub-paragraphs (ii) and (iii) below. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the 10% limit;

(ii) the Board may, after issuing a circular to the shareholders of the Company, seek approval by shareholders in general meeting to refresh the 10% limit. However, the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes in these circumstances must not exceed 10% of the issued share capital of the Company as at the date of approval of the limit. Options previously granted under the Share Option Scheme and any other schemes (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed; and

(iii) the Board may, after issuing a circular to the shareholders of the Company, seek separate shareholders' approval in general meeting to grant options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to participants specified by the Board before such approval is sought.

No option may be granted to any one person in any 12-month period which, if exercised in full, would result in the total number of Shares already issued to him/her under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month

period unless approval by the shareholders of the Company in a general meeting with such person and his/her associates abstaining from voting has been obtained in accordance with the GEM Listing Rules.

No grant of option shall be made by the Board after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been announced in accordance with the GEM Listing Rules. In particular, during the period commencing 1 month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange pursuant to Rule 17.48 of the GEM Listing Rules) for the approval of the Company's annual results, interim results or quarterly results, and (ii) the deadline for the Company to publish announcement of its annual results, interim results or quarterly results under Rule 18.49, Rule 18.78 or Rule 18.79 of the GEM Listing Rules, and ending on the date of the results announcement, no option may be granted.

(d) Grant of option to connected persons

Any grant of options to a Director, chief executive, management shareholder or substantial shareholder (each as defined in the GEM Listing Rules) or any of their respective associates must be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).

Where options are proposed to be granted to a substantial shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options, when aggregated with the options already granted to (including options exercised, cancelled and outstanding) that person in the past 12-month period, would entitle him/her to receive more than 0.1% of the total issued Shares for the time being having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5,000,000, the proposed grant shall be subject to the prior approval of shareholders of the Company in general meeting in accordance with the GEM Listing Rules.

For this purpose, the Company shall prepare and deliver to its shareholders a circular. All connected persons for the time being of the Company (if any) shall abstain from voting at such general meeting.

(e) Price for Shares

The subscription price for Shares under the Share Option 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.

(f) Time of exercise of option

An offer of grant of an option may be accepted by a participant within the time period specified in the offer letter. A consideration of HK$1.00 is payable on acceptance of the offer of grant of option. Subject to the provisions of the Share Option Scheme regarding expiry of options, an option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme during the period to be notified by the Board to each grantee but shall in any event not more than 10 years from the date of grant of the option. The Share Option Scheme does not contain specific provisions on the minimum period during which an option must be held before it can be exercised.

(g) Performance target

Unless the Board otherwise determines and sets out in the offer letter for the grant of options to a grantee, a grantee shall not be required to achieve any performance target before the options can be exercise. No performance target has specifically been stipulated under the Share Option Scheme.

(h) Rights are personal to grantee

An option may not be sold, transferred, charged, mortgaged or assigned and is personal to the grantee.

(i) Rights on ceasing employment

If the grantee ceases to be an eligible employee or director of the Group under the Share Option Scheme, his/her outstanding options must lapse on or before:

(i) the date of cessation, if the grantee has been dismissed on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction for criminal offence involving his/her integrity or honesty;

(ii) the date which is 12 months after the date of cessation, where cessation occurs by reason of death of the grantee; or

(iii) the date which is 1 month after the date of cessation, in the case of resignation, retirement, expiry of employment contract or termination of employment of the grantee on grounds other than those set out in sub-paragraphs (i) and (ii) above.

(j) Rights on winding-up

In the event of notice being given by the Company of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall on the same date as it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his/her personal representative(s))

shall be entitled to exercise all or any of his/her options (to the extent not already lapsed or exercised) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. With effect from the date of the proposed general meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended.

(k) Rights on a general (or partial) offer

If a general (or partial) offer (whether by way of take-over offer, share re-purchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), the Company will use its best endeavours to procure that an appropriate offer is extended to all the grantees (on comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, as shareholders of the Company). If such general (or partial) offer becomes or is declared unconditional, the grantee shall be entitled to exercise the option (to the extent not already lapsed or exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time within 14 days after the date on which such general (or partial) offer becomes or is declared unconditional.

(l) Rights on a compromise or arrangement

In the event that a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees on the same day as it gives notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement. Each grantee (or his/her personal representative(s)) is entitled to exercise his/her option in whole or in part (to the extent not already lapsed or exercised), at any time no later than 2 business days prior to the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement by notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended.

(m) Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry any voting rights until completion of the registration of the grantee as the holder thereof in accordance with the articles of association of the Company. Subject to the aforesaid, the Shares to be allotted will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue on the relevant allotment date and accordingly will entitle the holders to participate in all dividends or other distributions paid

or made on or after the relevant allotment date other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the relevant allotment date.

(n) Effect of alteration to capital

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable arising from capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company, such corresponding adjustments shall be made to the number of Shares the subject matter of the option (insofar as the relevant option has not been lapsed or exercised), and/or the subscription price. Any such adjustments must give a participant the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value. The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this sub-paragraph (n).

(o) Period of the Share Option Scheme

The Share Option Scheme shall remain in force for a period of 10 years commencing on the date of its adoption.

(p) Cancellation

Any cancellation of options granted but not exercised must be approved by shareholders in general meeting, with the grantees and their associates abstaining from voting. The cancelled option shall be treated as if it were outstanding option granted under the Share Option Scheme for the purpose of calculating the aggregate number of Shares issued or issuable or which may be issuable under the Share Option Scheme.

(q) Termination of the Share Option Scheme

The Company by resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in force. All options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(r) Lapse of option

An option shall lapse automatically on the earliest of:

(i) the expiry of the option period;

(ii) the expiry of the periods referred to in sub-paragraphs (i), (j) or (k), respectively;

(iii) subject to the compromise or arrangement referred to in sub-paragraph (l) becoming effective, the date on which such compromise or arrangement becomes effective;

(iv) the date of the commencement of the winding up of the Company;

(v) the date on which the grantee ceases to be an eligible employee or director of the Group by reason of the termination of his/her employment/appointment on any one or more of the grounds that he/she has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty. A resolution of the Board or the board of directors of the relevant subsidiary or Invested Entity to the effect that the employment/appointment of a grantee has or has not been terminated on one or more of the above grounds shall be conclusive; and

(vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee has committed a breach of sub-paragraph (h) or the options are cancelled in accordance with sub-paragraph (p).

(s) Alterations to the Share Option Scheme

The rules of the Share Option Scheme may be altered in any respect by a resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of any of the grantees or participants without the prior approval of the shareholders of the Company in general meeting where the grantees or participants and their respective associates must abstain from voting. Any alteration to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted under the Share Option Scheme must be approved by the shareholders of the Company in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. Any change to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall be approved by the shareholders of the Company in general meeting. The amended terms of the Share Option Scheme or the options to be granted thereunder must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules from time to time.

(t) Present status of the Share Option Scheme

(i) Approval of the GEM Listing Committee required

The Share Option Scheme is conditional on the GEM Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(ii) Application for approval

Application has been made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may be fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme.

(iii) Grant of option

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme.

(iv) Value of option

The Directors consider it inappropriate to disclose the value of any option which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no option has been granted, such variables are not available for calculating the value of any option. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

OTHER INFORMATION

12. Tax and other indemnities

Each of OCG Asia, Mr. Yu and Ms. Wong Lai Chun (together the "Indemnifiers") pursuant to a deed of indemnity (being the material contract (o) referred to in paragraph 8 of this Appendix) has jointly and severally given indemnities in favour of the Company (for itself and as trustee for each of its present subsidiaries) in respect of (i) taxation which might be payable by any member of the Group in respect of any income, profits or gains earned, accrued or received on or before the date on which the Placing becomes unconditional (the "Taxation Indemnity"), (ii) any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the non-registration of the co-operative agreement under which the lease arrangement of portion of business hall on Level 2, Yintong International Centre, No 45, Guomao Avenue, Jinmao District, Haikou City, the PRC is made

(the "Non-registration Indemnity"), (iii) any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the non-appointment of director of OCG China from the date of its establishment until 10 January 2007 (the "Non-appointment Indemnity"), (iv) any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the offering or issuance of the cash coupons by merchants as benefits to members of payment cards co-branded by the Group including The Pacific-OCG Golf Cards (the "Cash Coupons Indemnity"), (v) any losses, damages, penalties and liabilities suffered and costs incurred by the Group as a result of the late payment of the social insurance contribution by OCG China on or before the date on which the Placing becomes unconditional (the "Social Insurance Indemnity"), (vi) any losses, damages, liabilities and penalties suffered and costs incurred by the Group as a result of the preference shares structure arrangement as set out in the paragraph headed "Preference Shares Structure Arrangement of OCG Thailand" in the section headed "Business" of this prospectus and (vii) any losses, damages, liabilities and penalties suffered and costs incurred by the Group as a result of the contractual arrangements as set out in the paragraph headed "Former contractual arrangements of OCG Thailand prior to the restructuring" under the section headed "Business" of this prospectus.

Based on the Directors' assessment, the estimated maximum exposure to the Group in respect of (i) the Taxation Indemnity is approximately nil as it is not practicable to assign a maximum exposure for this indemnity given that OCG China and OCG Thailand have registered tax losses of approximately RMB1.6 million (equivalent to approximately HK$1.8 million) and approximately Baht 4.5 million (equivalent to approximately HK$1.0 million) respectively as at 31 March 2009 which equates to an aggregate tax loss of approximately HK$2.8 million, (ii) the Non-registration Indemnity is the estimated relocation cost of approximately RMB5,000 (equivalent to approximately HK$5,700) in the event that the Group is required to relocate its PRC office to alternative premises. According to the Regulations on the Administration of Leases of Real Property in Haikou City (海口市房屋租賃管理辦法), OCG China may be subject to a penalty up to 200% of the rental for the non-registration of lease. Based on the above, there would be no penalty on the non-registration of the PRC lease as no monetary transaction in respect of the PRC lease has taken place, (iii) the Non-appointment Indemnity is approximately nil, (iv) the Cash Coupons Indemnity is RMB200,000 (equivalent to approximately HK$228,000), (v) the Social Insurance Indemnity is approximately HK$74,986 comprising (a) the administrative penalty of RMB20,000 (equivalent to approximately HK$22,800) and (b) the estimated late charge of approximately RMB45,777 (equivalent to approximately HK$52,186), (vi) the Preference Shares Structure Arrangement Indemnity is approximately HK$766,533 comprising (a) the maximum fine of Baht 1,000,000 (equivalent to approximately HK$220,000 and (b) the estimated loss to the Group of approximately HK$546,533, representing the Group's share (60%) of the net assets, which includes the Group's net investment and share of accumulated post acquisition results of OCG Thailand as at 31 March 2009 in the event that OCG Thailand is ordered to cease its operations. Such indemnity does not cover loss on cessation of business or loss of future income and (vii) the Structured Contracts Indemnity is approximately HK$766,533 comprising (a) the maximum fine of Baht 1,000,000 (equivalent to approximately HK$220,000 and (b) the estimated loss to the Group of approximately HK$546,533, representing the Group's share (60%) of the net assets, which includes the Group's net investment and share of accumulated post acquisition results of OCG Thailand as at 31 March 2009 in the event that OCG Thailand is ordered to cease its operations. Such indemnity does not cover loss on cessation of business or loss of future income.

The deed of indemnity does not cover any claim, and the Indemnifiers shall be under no liability under the deed, in respect of any taxation:

(a) to the extent that provision has been made for such taxation in the combined audited accounts of the Company for each of the three years ended 31 March 2009;

(b) which would not have arisen but for any act or omission by any member of the Group voluntarily effected without the prior written consent or agreement of the Indemnifiers;

(c) to the extent that such claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or any other relevant authority coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation after the date of the deed of indemnity with retrospective effect;

(d) to the extent any provision or reserve made for taxation in the combined audited accounts of the Company up to 31 March 2009 which is finally established to be an over-provision or any excessive reserve in which case the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that such over-provision or excessive reserve applied referred to in this sub-paragraph (d) to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter; and

(e) for which the Company or any member of the Group is or may become primarily liable as a result of any event occurring or deemed occurring or income, profits or gains earned, accrued or received or transactions in the ordinary course of their business after the date of the deed of indemnity.

13. Litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

14. Sponsor

The Sponsor has made an application on behalf of the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Shares in issue, and the Shares to be issued under the Placing and the Capitalisation Issue, and any Shares which may fall to be issued pursuant to any exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme.

15. Preliminary expenses

The estimated preliminary expenses of the Company are estimated to be approximately US$3,650 (equivalent to about HK$28,470) and are payable by the Company.

16. Promoters

The promoters of the Company are OCG Asia and Mr. Yu. OCG Asia is a company incorporated in the British Virgin Islands with limited liability on 22 November 2006. As at the Latest Practicable Date, its issued share capital was 23,116,988 shares with no par value which are fully paid or credited as fully paid. Mr. Yu is the sole director of OCG Asia.

Save as disclosed herein, within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to any person in connection with the Placing or the related transactions as described in this prospectus.

17. Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this prospectus are as follows:

Name	Qualifications
SBI E2-Capital (HK) Limited	licensed corporation to carry on business in types 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the SFO
Mazars CPA Limited	Certified public accountants
GA Appraisal Limited	Professional property valuers
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Fangda Partners	Registered law firm in the PRC
Somphob Tax and Law Office Ltd.	Registered law firm in Thailand
DLA Piper (Thailand) Limited	Registered law firm in Thailand
Watson, Farley & Williams (Thailand) Ltd.	Registered law firm in Thailand

18. Consents of experts

SBI E2-Capital (HK) Limited, Mazars CPA Limited, GA Appraisal Limited, Conyers Dill & Pearman, Fangda Partners, Somphob Tax and Law Office Ltd., DLA Piper (Thailand) Limited and Watson, Farley & Williams (Thailand) Ltd. have given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, valuation, letters or opinions (as the case may be) and the references to their names or summaries of opinions included in this prospectus in the form and context in which they respectively appear.

19. Binding effect

This prospectus shall have the effect, if any application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

20. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on the Company's register of members maintained in Hong Kong will be subject to Hong Kong stamp duty, the current rate of which is HK$2.00 for every HK$1,000.00 (or part thereof) of the consideration or, if higher, the fair value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

Under the present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty. The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attached to them. It is emphasised that none of the Company, the Directors or the other parties involved in the Placing can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding, disposal of or dealing in Shares or exercise of any rights attached to them.

21. Share registration

Subject to the provisions of the Companies Law, the register of members of the Company will be maintained in Hong Kong by Union Registrars Limited. Unless the Directors otherwise agree, all transfers and other documents of title of Shares for the purposes of trading on GEM must be lodged for registration with and registered by the Company's share registrar in Hong Kong and may not be lodged in the Cayman Islands.

22. Miscellaneous

Save as disclosed herein:

(a) Within the two years preceding the date of this prospectus:

(i) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and

(ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;

(b) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(c) The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 March 2009 (being the date to which the latest audited financial statements of the Group were made up).