

**ORIENTAL CITY GROUP HOLDINGS LTD:
THIS IS A ONE-OF-A-KIND FLOTATION ...
THANK THE LORD !**

If You Have A Weak Heart, Steer Clear

One might be mistaken for thinking that this is all a big joke on scanning the Placing Prospectus of this Initial Public Offering (**IPO**), but the company, issuing the Placing Prospectus, did manage to raise about \$HK20.50 million, net of expenses, by floating off the 'joke'.

So the joke, clearly, does not rest with Management.

The 'joke' of a company is Oriental City Group Holdings Ltd () (Code: 8325, The Growth Enterprise Market [**The GEM**] of The Stock Exchange of Hongkong Ltd).

It went public in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on Monday, August 24, 2009, and trading in the shares of the Company, commenced last Friday (August 28, 2009).

In the first 2 hours of trading, last Friday, on a volume of activity of 7.67 million shares, the price range went from 64 cents to 83 cents and, in-between, the price dropped to 37 cents.

By the close of the trading day, another 1.83 million shares had changed hands, bringing the aggregate number of shares, changing hands on the first full day of trading, to 9.50 million.

The share price closed, last Friday night, at 59 cents per share.

The Offer Price was 23 cents per share.

On Monday, a total of one million shares changed hands, with the price, settling at the close of the trading day at 59 cents.

Just before going to Press, yesterday, the share price was 57 cents on a turnover of about 300,000 shares.

So, who gets the last laugh, here?

Oriental City Group Holdings Ltd has an Establishment Level of only 11 bodies – 3 workers in the HKSAR, 3 workers in the PRC, Proper, being distinct and separate from the HKSAR of the PRC, and 5 workers in Thailand.

The Company had to borrow \$HK4 million in order to finance the pitching of its **IPO** in the HKSAR – because it did not have the wherewithal for the listing without the loan and, presumably, banks were not willing to lend money to the Company for the proposed IPO.

At Page 227 of the Placing Prospectus, it is stated, under the heading, '**INDEBTEDNESS AND NET CURRENT ASSETS**':

'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 (Oriental City Group Ltd []), OCG UK (Oriental City Group plc) and Mr. Yu (Mr Yu Chun Fai []) 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.

'The preference shares as issued by OCG Thailand (Oriental City Group [Thailand] Company Ltd) 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. 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 Mrs. Nongluck Anantachote 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 payable of approximately Baht 21,000 (equivalent to approximately HK\$5,000) as included in trade and other payables.'

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