

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Oriental City Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

DIRECTORS

Executive Directors

Mr. Cheng Nga Ming Vincent (*Chairman*)
Ms. Cheng Nga Yee

Non-executive Director

Mr. Zhang Huaqiao (appointed on 7 September 2012)

Independent Non-executive Directors

Mr. Chan Chun Wai, *CPA*
Mr. Lee Kin Fai
Mr. Chow King Lok

REGISTERED OFFICE

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Cayman Islands

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Causeway Bay
Hong Kong

COMPANY SECRETARY

Mr. Yu Wan Hei, *CPA, FCCA*

COMPLIANCE OFFICERS

Mr. Cheng Nga Ming Vincent
Mr. Chan Chun Wai

AUDIT COMMITTEE

Mr. Chan Chun Wai (*Chairman*)
Mr. Lee Kin Fai
Mr. Chow King Lok

REMUNERATION COMMITTEE

Mr. Lee Kin Fai (*Chairman*)
Mr. Chan Chun Wai
Mr. Chow King Lok

NOMINATION COMMITTEE

Mr. Chow King Lok (*Chairman*)
Mr. Chan Chun Wai
Mr. Lee Kin Fai

INTERNAL CONTROL COMMITTEE

Mr. Chan Chun Wai (*Chairman*)
Mr. Lee Kin Fai
Mr. Chow King Lok

COMPLIANCE COMMITTEE

Mr. Cheng Nga Ming Vincent (*Chairman*)
Mr. Chan Chun Wai
Mr. Lee Kin Fai
Mr. Chow King Lok

AUTHORISED REPRESENTATIVES

Mr. Cheng Nga Ming Vincent
Mr. Yu Wan Hei

COMPANY WEBSITE

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STOCK CODE

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AUDITOR

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Certified Public Accountants
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18 Harbour Road
Wan Chai
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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Town Place, 33 Lockhart Road
Wan Chai
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Dah Sing Bank Limited
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Chairman's Statement

To all shareholders,

I am pleased to present our shareholders with the annual report of Oriental City Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2013.

Results of the Year

The Group is principally engaged in operating the card acceptance business in Thailand. During the year ended 31 March 2013, our team has worked extremely hard to achieve the set targets for the financial return. The Group's total revenue for the year ended 31 March 2013 increased by approximately 275% to approximately HK\$84.58 million as compared with the Group's total revenue of approximately HK\$22.57 million for last year. As such, the loss attributable to the equity owners of the Company was significantly decreased from approximately HK\$3.23 million for the year ended 31 March 2012 to approximately HK\$0.50 million for the current year, representing an improvement of approximately 85%. Basic loss per share for this year was 0.08 HK cents (2012: 0.54 HK cents).

Review for the Year

Oriental City Group (Thailand) Company Limited ("OCG Thailand"), a subsidiary of the Company, has entered into a merchant agreement with King Power Duty Free Co., Ltd ("King Power") during the year ended 31 March 2013. King Power was soon to become one of the major customers of OCG Thailand. Further, OCG Thailand has approximately 900 points-of-sales ("POS") terminals during the year which were mainly located in the major tourist areas in Thailand. In light of the increase in the POS terminals and the Chinese tourists visiting Thailand during the year, transaction volume handled by the Group increased accordingly and as a result, the Group's revenue from the card acceptance business in Thailand boosted up significantly.

In February 2013, an indirect wholly-owned subsidiary of the Company as purchaser entered into a non-legally binding memorandum of understanding (the "MOU") with a third party in respect of a possible acquisition of interests in the issued share capital of a target company. The target company, together with its subsidiary (collectively referred to as the "Target Group"), is principally engaged in the payment card business in the People's Republic of China ("PRC"). A legally-binding agreement in relation to this possible acquisition was not yet finalised as at the date of this report.

Further, Charm Act Group Limited ("Charm Act"), a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with two purchasers for the disposal of its 30% equity interest in Oriental City Group Thailand Limited ("OCG Thailand (BVI)"). Immediately before entering into the agreement, OCG Thailand BVI held the entire equity interest in Oriental City Group Asia Pacific Limited, which is an investment holding company holding 70% equity interest in OCG China Company Limited, a company which is engaged in provision of marketing and administrative services within the Group. OCG Thailand BVI also holds 60% equity interest in OCG Thailand, the principal activities of which is card acceptance business in Thailand. The ultimate beneficial owners of the two purchasers are Mr. Yu Chun Fai ("Mr. Yu") and Mr. Sung Hak Keung Andy ("Mr. Sung") respectively. Mr. Yu is one of the directors of OCG Thailand BVI while Mr. Sung is an employee and a shareholder of the Company. Mr. Yu and Mr. Sung are experienced in the card acceptance

Chairman's Statement

business and are employees of the Group. Such disposal not only enables the Group to retain expertise, it also serves as incentives to Mr. Yu and Mr. Sung to make more contribution towards the development of the Group as shareholders of OCG Thailand BVI. The disposal was approved by an ordinary resolution passed in the extraordinary general meeting of the Company held on 10 May 2013. Following the completion of the disposal, OCG Thailand BVI continues to be a subsidiary of the Company and is held by Charm Act as to 70%.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to the members of the Board of Directors of the Company (the "Board") and, on behalf of the Board, to our management team and our employees for their dedication and contribution to the Group. I would also like to express my appreciation to our shareholders and business partners for their enduring support and confidence in the Group.

Cheng Nga Ming Vincent

Chairman

Hong Kong, 17 June 2013

Management Discussion and Analysis

BUSINESS REVIEW

The Group focused on the card acceptance business in Thailand during the year ended 31 March 2013. Taking advantage of the increase in the number of the Chinese tourists visiting Thailand and the co-operation with King Power which manages and operates duty free shops in Thailand, transaction volume handled by the Group in Thailand has been increased from Thai Baht (“Baht”) 5,059 million for the year ended 31 March 2012 to Baht 19,073 million for the year ended 31 March 2013. Consequently, the Group’s revenue and gross profit for the year ended 31 March 2013 were increased by approximately 275% and approximately 272% respectively to approximately HK\$84.58 million and approximately HK\$27.22 million respectively.

BUSINESS OUTLOOK

During the year, the Group has entered into a sale and purchase agreement with two purchasers for the disposal of 30% of its equity interest in OCG Thailand (BVI). The ultimate beneficial owners of these two purchasers were Mr. Yu and Mr. Sung respectively. The Directors expect that the disposal could enable the Group to retain expertise from Mr. Yu and Mr. Sung who are experienced in the card acceptance business as well as enhance the cash flow of the Group which in turn could enable the Group to better utilize its resources to pursue business with growth potential when opportunities arise. Such transaction was approved by an ordinary resolution passed in the extraordinary general meeting of the Company held on 10 May 2013. Following the completion of the agreement, OCG Thailand (BVI) continued to be a subsidiary of the Company, 70% equity interest of which being held by Charm Act.

Further, the Group is negotiating for the acquisition of the equity interest of a target company which, together with its subsidiary, is principally engaged in the payment card business in the PRC, the Directors consider that this possible acquisition will be in line with the business strategy of the Group and will enhance its profitability and thereby increase the value of the Company.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group has a remarkable growth of revenue for the year ended 31 March 2013. Consolidated revenue for the Group for the year amounted to approximately HK\$84.58 million, representing a year-on-year increase of approximately HK\$62.01 million or approximately 275% from that of the last year.

Cost of Services Rendered

Total cost of services rendered for the year ended 31 March 2013 increased by approximately HK\$42.10 million, or approximately 276%, from approximately HK\$15.25 million for the last year to approximately HK\$57.36 million for the year ended 31 March 2013. Such costs comprised the information network cost and licence fee cost of the card acceptance business in Thailand.

Gross Profit and Gross Profit Margin

The gross profit for the year ended 31 March 2013 was approximately HK\$27.22 million, representing an increase of approximately 272% from that of the last year. Gross profit margins for the years ended 31 March 2013 and 31 March 2012 were remained as approximately 32% respectively.

General Administrative Expenses

The general administrative expenses of the Group for the year ended 31 March 2013 were approximately HK\$14.13 million, representing an increase of approximately 87% from that of the last year. The increase was mainly attributable to an increase in the depreciation and other office expenses relating to the growth in card acceptance business in Thailand and the overall staff costs, including the recognition of equity-settled share based payment expenses and directors' remuneration, and the legal and professional fee of the Group during the year ended 31 March 2013.

Selling and Distribution Costs

The selling and distribution costs for the year ended 31 March 2013 amounted to approximately HK\$2.88 million, representing an increase of about 200% as compared with the same recorded last year. The increase was mainly attributed to an increase in staff salaries and incentives for the marketing team in Thailand.

Finance Costs

The finance costs for the year ended 31 March 2013 represented the 9% dividend payable to a non-controlling shareholder in respect of the issue and paid up preference share capital of OCG Thailand.

Profit for the Year

During the year ended 31 March 2013, the Group reported a profit amounted to approximately HK\$5.07 million as compared with a loss of approximately HK\$2.32 million last year. The Group reported a loss attributable to equity holders of the Company amounted to approximately HK\$0.50 million, representing an improvement of 85% over the last year. Loss per share was approximately 0.08 HK cents as compared with approximately 0.54 HK cents recorded last year.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operation through internally generated cash flows, public fund raisings and other borrowings. As at 31 March 2013, the Group's other long-term borrowings amounted to Baht 1,650,000 (equivalent to approximately HK\$434,000) due to a non-controlling shareholder, representing the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividend at 9% per annum and such dividend was recorded as finance costs. The gearing ratio of the Group, calculated as a ratio of total borrowings to total assets, for years ended 31 March 2013 and 31 March 2012, were approximately 0.44% and approximately 1.29% respectively.

As at 31 March 2013, the Group had net current assets of approximately HK\$15.63 million (2012: approximately HK\$16.35 million). Current ratio as at 31 March 2013 was 1.20 (2012: 2.73). The cash and cash equivalents of the Group as at 31 March 2013 were approximately HK\$23.01 million (2012: approximately HK\$16.91 million).

CAPITAL STRUCTURE

Total equity attributable to equity holders of the Company amounted to approximately HK\$16.24 million as at 31 March 2013 (2012: approximately HK\$15.14 million).

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong, the PRC and Thailand with majority of business transactions being denominated and settled in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and Baht, which are the functional currencies of the relevant subsidiaries. The Group's trade receivables arising from the operation of card acceptance business in Thailand are mainly denominated in United States dollars ("US\$"). The Directors and senior management have monitored the related foreign currency risk exposure closely. Pursuant to a written foreign currency hedging guideline approved by the Directors, the Group will enter into foreign currency forward contracts should the needs arise. As at 31 March 2013, the Group had outstanding foreign currency forward contracts for the exchange of US\$ with Baht of US\$8,355,000 (equivalent to approximately HK\$65,172,000) (2012: US\$700,000, equivalent to approximately HK\$5,460,000). No material fair value gain or loss has been recognised for the foreign currency forward contracts and no hedging accounting has been adopted. The Directors and senior management will continue to monitor the foreign exchange exposure and will consider other applicable derivatives when necessary. Save as disclosed above, the Group did not have other derivatives for hedging against the Group's foreign exchange rate risk as at 31 March 2013.

RESULTS AND DIVIDENDS

For the year ended 31 March 2013, the Group recorded a revenue of approximately HK\$84.58 million (2012: approximately HK\$22.57 million) and a loss attributable to equity holders of the Company of approximately HK\$0.50 million as compared with approximately HK\$3.23 million for the previous year. The loss per share was 0.08 HK cents (2012: 0.54 HK cents).

The Board does not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: Nil).

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2013, the Group had a total staff of 16 (31 March 2012: 11) of whom 9 were based in Hong Kong, 6 were based in Thailand and the remaining one was based in the PRC. The Group develops its human resources policies and procedures based on performance, merit and market conditions. The benefits provided by the Group to its employees include discretionary bonuses, medical schemes and share options. Discretionary bonus is linked to the performance of the Group as well as individual performance. The Group also arranges its staff for training to enhance their skills and knowledge.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Save as disclosed in this annual report, the Group has made no material acquisitions, disposals or any significant investments during the year ended 31 March 2013.

CAPITAL COMMITMENTS

As at 31 March 2013, the Group did not have any capital expenditure contracted for but not provided in the consolidated financial statements (2012: HK\$490,000).

CHARGES ON ASSETS

As at 31 March 2013, the Group did not have any charges on its assets.

CONTINGENT LIABILITIES

As at 31 March 2013, the Group did not have any significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period are set out in note 30 to the consolidated financial statements.

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Cheng Nga Ming Vincent (“Mr. Cheng”), aged 42, was appointed as an executive director of the Company in March 2011. He is the chairman of the Board as well as the chief executive officer and the chairman of the compliance committee of the Company. He graduated from California State University, Sacramento with major in finance. He is a private investor who has extensive experience in investment management and securities analysis. He has about 17 years of experience in investment with hedge fund groups responsible for investment portfolios with a primary focus in Asia. Mr. Cheng is responsible for the overall corporate strategies and business development of the Group.

Ms. Cheng Nga Yee (“Ms. Cheng”), aged 39, was appointed as an executive director of the Company in March 2011. She graduated from San Francisco State University with major in marketing. She is the sister of Mr. Cheng. She has about 12 years of experience in investment. She also has about 3 years’ experience as business consultant in a company listed in the Main Board of the Stock Exchange. Ms. Cheng is mainly responsible for the marketing function of the Group.

Non-executive Director

Mr. Zhang Huaqiao (“Mr. Zhang”), aged 50, was appointed as the non-executive director of the Company in September 2012. He worked at the Equities Department of UBS AG, Hong Kong Branch from June 1999 to April 2006 with last capacity as the co-head of its China research team. From May 2006 to September 2008, Mr. Zhang served as an executive director of Shenzhen Investment Limited, a company listed on the Main Board of the Stock Exchange. From September 2008 to June 2011, Mr. Zhang worked with UBS AG, Hong Kong with last capacity as the deputy head of China Investment Banking Department. Mr. Zhang then was the chairman of Guangzhou Wansui Micro Credit Co., Ltd. between June 2011 and July 2012; and an executive director and chief executive officer of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange, between September 2011 and April 2012. Currently, Mr. Zhang is the chairman of China Mezzanine Capital Group, an independent non-executive director of Fosun International Limited and Zhong An Real Estate Limited and a non-executive director of Boer Power Holdings Limited, the shares of the latter three companies are listed on the Main Board of the Stock Exchange. In March 2013, he was appointed as a director of Nanjing Central Emporium (Group) Stocks Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr. Zhang obtained a master’s degree in economics from the Financial Research Institute of the People’s Bank of China in 1986 and a master’s degree of economics of development from the Australian National University in 1991.

Biographical Details of Directors and Senior Management

Independent Non-executive Directors

Mr. Chan Chun Wai (“Mr. Chan”), aged 41, was appointed as an independent non-executive director in August 2009. Mr. Chan is the chairman of the Company’s audit committee and internal control committee, a member of the Company’s remuneration committee, nomination committee and compliance committee. Mr. Chan is the director of a CPA practice 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 GEM. Mr. Chan has extensive experience in assurance and business advisory services. Mr. Chan obtained a Master degree of Business Administration from the University of Manchester. He is a certified public accountant (practicing) 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. Lee Kin Fai (“Mr. Lee”), aged 40, was appointed as an independent non-executive director of the Company in March 2011. Mr. Lee is the chairman of the Company’s remuneration committee and a member of the Company’s audit committee, nomination committee, internal control committee and compliance committee. Mr. Lee is an associate member of Hong Kong Institute of Certified Public Accountants. He holds a Master degree of Business Administration from the Manchester Business School of University of Manchester, United Kingdom. He was an executive director of Hanergy Solar Group Limited, formerly known as Apollo Solar Energy Technology Holdings Limited, a company listed on the Main Board of the Stock Exchange, during January 2009 to August 2010. Mr. Lee was an independent non-executive director of ePRO Limited, a company listed on GEM, from November 2010 to December 2011. Mr. Lee is currently an independent non-executive director of Oriental Unicorn Agricultural Group Limited and First Credit Finance Group Limited, companies whose shares are listed on GEM. Prior to joining Apollo Solar Energy Technology Holdings Limited in 2004, he worked in another company listed on the Main Board of the Stock Exchange and an international accounting firm. Mr. Lee has extensive experience in accounting, audit and taxation field.

Mr. Chow King Lok (“Mr. Chow”), aged 65, was appointed as an independent non-executive director of the Company in March 2011. Mr. Chow is the chairman of the Company’s nomination committee and a member of the Company’s audit committee, remuneration committee, internal control committee and compliance committee. Mr. Chow is currently a committee member of Hong Kong Shatin Industries and Commerce Association Limited and a director of an engineering company. Mr. Chow was an independent non-executive director of Hanergy Solar Group Limited, formerly known as Apollo Solar Energy Technology Holdings Limited, a company listed on the Main Board of the Stock Exchange, during August 2008 to August 2010. He has a bachelor degree in Mechanical Engineering from Cheng Kung University, Taiwan.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Yu Wan Hei (“Mr. Yu”), aged 38, was appointed as the company secretary and the financial controller of the Company in January 2013. Mr. Yu holds a bachelor degree of Business Administration in Accounting from the Hong Kong University of Science and Technology. He also holds a master degree in Accountancy from the Hong Kong Polytechnic University. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Yu has over 13 years of experience in accounting and auditing.

Mr. Phuri Khamphidet, aged 47, joined the Group in January 2005. He is the managing director of OCG Thailand. Mr. Khamphidet has strong experience in credit card business development and marketing and has more than 17 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 a bachelor degree in political science from Ramkhamhaeng University in Thailand in 1988.

Mr. Panthong Limpkittisin, aged 44, joined OCG Thailand in December 2004 as the operation 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. Mr. Limpkittisin holds a master degree of business administration in general management from Ramkhamhaeng University in Thailand.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance to safeguard the interest of its shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Code on Corporate Governance Practices in Appendix 15 to the GEM Listing Rules (the "CG Code").

Throughout the year ended 31 March 2013, the Company has complied with the code provisions in the CG Code with the exception of the code provision A.2.1. Please refer to the paragraph headed "Chairman and Chief Executive Officer" of this report for the details of such deviation.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings as set out in the adopted code of conduct regarding Directors' securities transactions from 1 April 2012 to 31 March 2013.

BOARD OF DIRECTORS

The Company is governed by the Board, which is responsible for overseeing the overall strategy and development of the Company, as well as monitoring the internal control policies and evaluating the financial performance of the Group. The Board sets the overall strategies and directions for the Group with a view to developing its business and enhancing the shareholders' value.

As at 31 March 2013, there were 6 members in the Board comprising 2 executive Directors, 1 non-executive Director and 3 independent non-executive Directors ("INED"). The biographical details of the Directors are set out in the "Biographical Details of Directors and Senior Management" on page 10 to page 12 of this annual report. Their role and function are published on the Company's website and the Stock Exchange's website. Save as disclosed in this annual report, none of the Directors has any relationship (including financial, business, family or other material relationship) with each other.

All Board committees of the Company are established with defined written terms of reference.

The respective terms of reference of the audit committee, nomination committee and the remuneration committee have been published on the Company's website and the Stock Exchange's website.

Corporate Governance Report

During the year ended 31 March 2013, the Board met 10 times. The attendances of individuals at these Board meetings, audit committee meetings, remuneration committee meeting, nomination committee meeting, compliance committee meetings and internal control committee meetings are set out below:

Name of director	Board	Audit Committee	Remuneration Committee	Annual General Meeting	Nomination Committee	Compliance Committee	Internal Control Committee
	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting
<i>Executive Directors</i>							
Mr. Cheng Nga Ming Vincent	9/10	N/A	N/A	1/1	N/A	4/4	N/A
Ms. Cheng Nga Yee	10/10	N/A	N/A	1/1	N/A	N/A	N/A
<i>Non-executive Director</i>							
Mr. Zhang Huaqiao (appointed on 7 September 2012)	4/5	N/A	N/A	N/A	N/A	N/A	N/A
<i>Independent Non-executive Directors</i>							
Mr. Chan Chun Wai	9/10	4/4	1/1	1/1	1/1	4/4	4/4
Mr. Lee Kin Fai	10/10	4/4	1/1	1/1	1/1	4/4	4/4
Mr. Chow King Lok	9/10	4/4	1/1	1/1	1/1	4/4	4/4

In compliance with Rules 5.05 (1) and (2) of the GEM Listing Rules, the Company has appointed sufficient number of INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards and that appropriate systems are in place to protect the interest of the Company and its shareholders. The Company has received an annual confirmation of independence from each of the INEDs and considers that their independence is in compliance the GEM Listing Rules as at the date of this report.

The term of appointment of the non-executive Director and each independent non-executive Director is for a period of three years and one year respectively, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A.2.1 stipulates that the roles of the chairman of the Board (the “Chairman”) and the chief executive officer (the “CEO”) should be separate and should not be performed by the same individual.

Mr. Cheng Nga Ming Vincent is the Chairman and assumes the duties of the CEO of the Company. The Board considers that vesting the roles of Chairman and CEO in Mr. Cheng, who has about 17 years of experience in financial sector, provides the Group with consistent leadership in the development and execution of long-term business strategies. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the Chairman and the CEO is necessary.

COMMITTEES

As part of the corporate governance practices, the Board has established a nomination committee, a remuneration committee, an audit committee, an internal control committee and a compliance committee. All of the committees are composed of INEDs (except the compliance committee which comprises all the three INEDs and Mr. Cheng) with terms of reference in accordance with the principles set out in the CG Code. The compositions of the various committees of the Company on 31 March 2013 were set out below:

Nomination committee

The Company has established a nomination committee which considers and recommends to the Board suitably qualified persons to become the Company’s directors and is responsible for reviewing the structure, size and composition of the Board on a regular basis.

The nomination committee comprises three INEDs, namely Mr. Chow King Lok (Chairman), Mr. Chan Chun Wai and Mr. Lee Kin Fai.

The meetings of the nomination committee shall be held not less than once a year. The full terms of reference are available on the Company’s website and the Stock Exchange’s website.

Remuneration committee

The Company has established a remuneration committee which shall make recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The remuneration committee shall regularly monitor the remuneration of all of the directors and senior management of the Company and its subsidiaries (the “Group”) such that their remuneration is set at appropriate levels.

The remuneration committee comprises three INEDs, namely Mr. Lee Kin Fai (Chairman), Mr. Chan Chun Wai and Mr. Chow King Lok.

Corporate Governance Report

The meetings of the remuneration committee shall be held not less than once a year. The full terms of reference are available on the Company's website and the Stock Exchange's website.

Audit committee

The audit committee of the Company comprises Mr. Chan Chun Wai, Mr. Lee Kin Fai and Mr. Chow King Lok, all of whom are INEDs, 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 audit committee shall be held at least every three months to consider, among others, the Company's budget, revised budget and financial report prepared by the Board. The full terms of reference are available on the Company's website and the Stock Exchange's website.

Internal control committee

The Company has established an internal control committee to review the Group's internal control procedures on regular 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 all three INEDs, namely Mr. Chan Chun Wai (Chairman), Mr. Lee Kin Fai and Mr. Chow King Lok. The meetings of the internal control committee shall be held quarterly. The full terms of reference are available on the Company's website and the Stock Exchange's website.

Compliance committee

The Company has established a compliance committee 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 share structure arrangement of OCG Thailand as well as the Group's tax affairs. The compliance committee will report directly to the Board on the compliance matters of the Group. It will also seek advice from the Company's legal advisers to be retained from time to time.

Mr. Cheng Nga Ming Vincent, the Chairman, an executive director and a compliance officer of the Company, is the chairman of the compliance committee while the other members comprise Mr. Chan Chun Wai (also a compliance officer of the Company), Mr. Lee Kin Fai and Mr. Chow King Lok, all of whom are INEDs. The meetings of the compliance committee shall be held quarterly. The full terms of reference are available on the Company's website and the Stock Exchange's website.

Corporate Governance Report

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Records of continuous professional development were received from the Directors. All of them have attended seminars and/or read materials and updates relating to the latest development of the GEM Listing Rules and other applicable regulatory requirements during the year ended 31 March 2013.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Board acknowledges their responsibilities of the preparation of the financial statements of the Group and ensures that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements of the Group.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

The statement of external auditor of the Company, Mazars CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

Corporate Governance Report

Internal control

The Board recognises the importance of maintaining an adequate and effective internal control system to safeguard the Group's assets against unauthorised use and disposal, and to protect the interests of shareholders of the Company. The Board assumes the overall responsibility for reviewing the adequacy and integrity of the Group's internal control system.

During the year, the Board has discussed and reviewed the internal control system and the relevant proposal made by senior management in order to ensure an adequate and effective system of internal control.

Auditor's remuneration

The auditor provides an objective assessment of the financial information presented by the management, and is considered one of the essential elements to ensure effective corporate governance. For the year ended 31 March 2013, the remuneration paid/payable to the auditor, Mazars CPA Limited, in respect of audit services amounted to HK\$250,000 (2012: HK\$258,000) and non-audit service assignment amounted to HK\$434,000 (2012: HK\$40,000).

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary meeting and putting forward proposals at general meeting

Pursuant to the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene such meeting within twenty-one days of such deposit, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the secretary of the Company by mail at Unit 3202, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong. The company secretary of the Company is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the Directors of the Company.

Corporate Governance Report

COMPANY SECRETARY

The company secretary supports the Board and Board Committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The company secretary is appointed by the Board and reports to the Chairman. The company secretary also plays an essential role in the relationship between the Company and its shareholders, and assists the Board in discharging its obligations to shareholders pursuant to the Listing Rules.

On 11 January 2013, Mr. Sung Hak Keung, Andy ("Mr. Sung") has resigned as the company secretary of the Company and Mr. Yu Wan Hei ("Mr. Yu") has been appointed as the company secretary of the Company in place of Mr. Sung on the same day. Both Mr. Sung and Mr. Yu undertook over 15 hours of relevant professional training to update their skills and knowledge during the year ended 31 March 2013.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investors.

The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports and notices, announcements and circulars. The corporate website of the Company (www.ocg.com.hk) provides a communication platform to the public and the shareholders.

Directors' Report

The Board of Directors is pleased to present its annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2013 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements which appear on page 31 to page 36 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out in the financial summary on page 80 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

RESERVE

Details of movements in the reserves of the Company and the Group during the year are set out in note 23 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Directors' Report

DISTRIBUTABLE RESERVES

At 31 March 2013, the Company's reserve available for distribution to equity holders comprising share premium account less accumulated losses, amounted to approximately HK\$1,919,000 (2012: approximately HK\$9,335,000).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2013, the percentages of revenue and cost of services rendered attributable to the Group's major customers and suppliers are set out below:

Revenue

– The largest customer	23%
– The total of five largest customers	58%

Cost of services rendered

– The largest supplier	100%
– The total of five largest suppliers	100%

As far as the Directors are aware, neither the Directors nor their associates nor any shareholders (which to the knowledge of Directors own more than 5% of the Company's issued share capital) had any interest in the five largest customers and suppliers of the Group.

DIRECTORS

The Directors of the Company during the year were:

Executive Directors:

Mr. Cheng Nga Ming Vincent

Ms. Cheng Nga Yee

Non-executive Director:

Mr. Zhang Huaqiao (appointed on 7 September 2012)

Independent Non-executive Directors:

Mr. Chan Chun Wai

Mr. Lee Kin Fai

Mr. Chow King Lok

In accordance with Article 84 of the Company's articles of association, Mr. Lee Kin Fai and Mr. Chow King Lok shall retire from office and being eligible, have offered themselves for re-election, at the forthcoming annual general meeting of the Company.

Directors' Report

In accordance with Article 83(3) of the Company's articles of association, Mr. Zhang Huaqiao shall hold office only until the forthcoming annual general meeting of the Company and being eligible, has offered himself for re-election at the said forthcoming annual general meeting.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographic information of the Directors and senior management of the Group are set out on page 10 to page 12 of this annual report.

DIRECTOR'S SERVICE CONTRACTS

Mr. Cheng Nga Ming Vincent ("Mr. Cheng") and Ms. Cheng Nga Yee ("Ms. Cheng") were appointed as executive Directors of the Company on 25 March 2011 for a term of one year unless terminated by not less than one month's notice in writing served by either party or previously terminated in accordance with the terms and conditions specified in the letter of appointment dated 25 March 2011. The remuneration of each of Mr. Cheng and Ms. Cheng shall be a director's fee at a rate of HK\$10,000 per month payable monthly in arrears. Their appointments were renewed on 25 March 2013.

The current basic annual salaries of the executive Directors are as follows:

Name	Amount
Mr. Cheng	HK\$120,000
Ms. Cheng	HK\$120,000

Mr. Zhang Hauqiao, a non-executive Director of the Company, entered into a letter of appointment with the Company with a fixed term of services for three years commencing from 7 September 2012, subject to Article 83(3) and provisions for the retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Mr. Zhang is entitled to receive a director's fee of HK\$40,000 per month. The Board has also granted to Mr. Zhang, who has also accepted, 6,000,000 share options on 7 September 2012 pursuant to the letter of appointment to subscribe 6,000,000 ordinary shares of HK\$0.01 each of the Company under and subject to and upon the terms and conditions of the share options scheme adopted by the Company on 14 August 2009. The exercise price of the share options shall be HK\$0.84 per share. The validity period of the share options shall be five years from 7 September 2012. 2,000,000 share options have been vested on 6 March 2013, and 2,000,000 share options will be vested on each of 6 March 2014 and 6 March 2015 respectively.

Directors' Report

Mr. Chan Chun Wai, an INED, has been appointed for a term of one year expiring on 13 August 2013. His director's fee was HK\$100,000 per annum. Mr. Lee Kin Fai and Mr. Chow King Lok were appointed as INEDs for a term of one year commencing from 25 March 2012. Their directors' fee was HK\$48,000 per annum respectively. None of the INEDs is expected to receive any other remuneration (save for the share options that may be granted) for holding their offices as the INEDs. The appointments of Mr. Lee and Mr. Chow were renewed on 25 March 2013.

None of the Directors proposed for re-election at the forthcoming AGM has entered into any service agreement with the Company which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

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.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

COMPETING INTERESTS

During the year ended 31 March 2013, none of the Directors or the controlling shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group's operating results, individual performance and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 9 to 10 to the consolidated financial statements, respectively.

Directors' Report

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

As at 31 March 2013, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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

Name	Capacity	Number of shares	Percentage of shareholding
Mr. Cheng Nga Ming Vincent ("Mr. Cheng")	Corporate – Interest of controlled corporation (Note)	243,000,000	40.5%
	Beneficial owner	27,000,000	4.5%

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

(b) **Long position in the share options of the Company**

The interest of the Directors and the chief executives of the Company in the share options of the Company are detailed in the section headed "Share Option Scheme" below.

(c) **Associated corporation**

As at 31 March 2013, Ms. Cheng held 30% equity interests in Tian Li Holdings Limited.

Save as disclosed above, as at 31 March 2013, so far as is known to any Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of part XV of the SFO (including interest and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Directors' Report

SHARE OPTION SCHEME

On 14 August 2009, the Company adopted a share option scheme (the "Scheme") for the purpose of recognising and motivating the contribution of the eligible persons to the Company and/or any of its subsidiaries and/or Invested Entity (as defined below). Pursuant to the Scheme, the Board may grant options to (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 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.

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

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

The exercise 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 quotation sheets for the 5 business days immediately preceding the date of grant and (iii) the nominal value of the Shares.

Directors' Report

For the year ended 31 March 2013, the Company has granted the following share options to Mr. Zhang Huaqiao, the non-executive Director of the Company, upon his appointment on 7 September 2012 under the Scheme:

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

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

Directors' Report

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

As at 31 March 2013, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

The Company

Long positions in Shares

Name	Capacity	Number of Shares	Percentage of shareholding
Tian Li	Beneficial owner	243,000,000	40.5%

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

Save as disclosed above, as at 31 March 2013, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2013.

RETIREMENT SCHEMES

Particulars of the retirement schemes of the Group are set out in note 3 to the consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the INEDs an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the INEDs to be independent.

Directors' Report

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on page 13 to page 19 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 March 2013 have been audited by Mazars CPA Limited, who will retire and a resolution to re-appoint Mazars CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company.

ON BEHALF OF THE BOARD

Cheng Nga Ming Vincent

Chairman

Hong Kong, 17 June 2013

Independent Auditor's Report



MAZARS CPA LIMITED
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To the shareholders of
Oriental City Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Oriental City Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 79, which comprise the consolidated and the Company's statement of financial position as at 31 March 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 March 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 17 June 2013

She Shing Pang

Practising Certificate number: P05510

Consolidated Income Statement

Year ended 31 March 2013

	<i>Note</i>	2013 HK\$	2012 <i>HK\$</i>
Revenue	6	84,575,255	22,569,189
Cost of services rendered		(57,356,508)	(15,254,037)
Gross profit		27,218,747	7,315,152
Other income	7	60,014	197,591
General administrative expenses		(14,129,846)	(7,545,009)
Selling and distribution costs		(2,883,669)	(961,136)
Finance costs	8	(33,634)	(31,265)
Profit (Loss) before taxation	8	10,231,612	(1,024,667)
Income tax expense	11	(5,166,001)	(1,291,860)
Profit (Loss) for the year		5,065,611	(2,316,527)
Attributable to:			
Equity holders of the Company	12	(499,858)	(3,231,650)
Non-controlling interests		5,565,469	915,123
		5,065,611	(2,316,527)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted	13	(0.08)HK cents	(0.54)HK cents

Consolidated Statement of Comprehensive Income

Year ended 31 March 2013

	2013 HK\$	2012 HK\$
Profit (Loss) for the year	5,065,611	(2,316,527)
Other comprehensive income (loss)		
Exchange difference on translation of foreign subsidiaries	882,508	(65,265)
Total comprehensive income (loss) for the year	5,948,119	(2,381,792)
Attributable to:		
Equity holders of the Company	170,344	(3,272,201)
Non-controlling interests	5,777,775	890,409
	5,948,119	(2,381,792)

Consolidated Statement of Financial Position

At 31 March 2013

	Note	2013 HK\$	2012 HK\$
Non-current assets			
Property, plant and equipment	15	3,456,031	976,024
Current assets			
Trade and other receivables	16	64,582,032	7,884,137
Restricted bank balances	17	6,498,555	1,018,477
Cash and cash equivalents	18	23,009,059	16,909,259
		94,089,646	25,811,873
Current liabilities			
Trade and other payables	19	76,388,295	9,165,271
Tax payables		2,075,005	291,909
		78,463,300	9,457,180
Net current assets			
		15,626,346	16,354,693
Total assets less current liabilities			
		19,082,377	17,330,717
Non-current liabilities			
Deferred tax liabilities	20	177,000	174,000
Other long-term liabilities	21	433,994	345,373
		610,994	519,373
NET ASSETS			
		18,471,383	16,811,344
Capital and reserves			
Share capital	22	6,000,000	6,000,000
Reserves		10,242,387	9,143,626
Equity attributable to equity holders of the Company			
		16,242,387	15,143,626
Non-controlling interests		2,228,996	1,667,718
TOTAL EQUITY			
		18,471,383	16,811,344

Approved and authorised for issue by the Board of Directors on 17 June 2013

Cheng Nga Ming Vincent
Director

Cheng Nga Yee
Director

Statement of Financial Position

At 31 March 2013

	Note	2013 HK\$	2012 HK\$
Non-current assets			
Interests in subsidiaries	14	619,279	2,839,448
Current assets			
Trade and other receivables	16	562,307	543,938
Cash and cash equivalents	18	8,895,079	12,265,116
		9,457,386	12,809,054
Current liabilities			
Trade and other payables	19	1,228,910	313,700
Net current assets			
		8,228,476	12,495,354
NET ASSETS			
		8,847,755	15,334,802
Capital and reserves			
Share capital	22	6,000,000	6,000,000
Reserves	23	2,847,755	9,334,802
TOTAL EQUITY			
		8,847,755	15,334,802

Approved and authorised for issue by the Board of Directors on 17 June 2013

Cheng Nga Ming Vincent
Director

Cheng Nga Yee
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2013

	Attributable to equity holders of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Share options reserve	Accumulated losses	Total			
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$		
	(Note 23a)	(Note 23a)	(Note 23b)	(Note 23c)	(Note 23d)	(Note 24)					
At 1 April 2011	6,000,000	14,558,608	6,996,322	(208,340)	-	-	(8,930,763)	18,415,827	1,364,704	19,780,531	
Loss for the year	-	-	-	-	-	-	(3,231,650)	(3,231,650)	915,123	(2,316,527)	
Other comprehensive loss:											
Exchange difference on translation of foreign subsidiaries	-	-	-	(40,551)	-	-	-	(40,551)	(24,714)	(65,265)	
Total comprehensive loss for the year	-	-	-	(40,551)	-	-	(3,231,650)	(3,272,201)	890,409	(2,381,792)	
Dividend paid to non-controlling interests of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	(587,395)	(587,395)	
At 31 March 2012	6,000,000	14,558,608	6,996,322	(248,891)	-	-	(12,162,413)	15,143,626	1,667,718	16,811,344	
At 1 April 2012	6,000,000	14,558,608	6,996,322	(248,891)	-	-	(12,162,413)	15,143,626	1,667,718	16,811,344	
Profit for the year	-	-	-	-	-	-	(499,858)	(499,858)	5,565,469	5,065,611	
Other comprehensive income:											
Exchange difference on translation of foreign subsidiaries	-	-	-	670,202	-	-	-	670,202	212,306	882,508	
Total comprehensive income for the year	-	-	-	670,202	-	-	(499,858)	170,344	5,777,775	5,948,119	
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	928,417	-	928,417	-	928,417	
Transfer to statutory reserve	-	-	-	-	766,101	-	(766,101)	-	-	-	
Capital contributions by non-controlling interests on the ordinary share capital of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	124,229	124,229	
Dividend paid to non-controlling interests of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	(5,340,726)	(5,340,726)	
At 31 March 2013	6,000,000	14,558,608	6,996,322	421,311	766,101	928,417	(13,428,372)	16,242,387	2,228,996	18,471,383	

Consolidated Statement of Cash Flows

Year ended 31 March 2013

	Note	2013 HK\$	2012 HK\$
OPERATING ACTIVITIES			
Cash generated from (used in) operations	25	17,007,488	(591,695)
Interest paid		(33,634)	(61,947)
Interest received		60,014	43,801
Income tax paid		(2,673,321)	(976,486)
Net cash from (used in) operating activities		14,360,547	(1,586,327)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,340,875)	(727,608)
Net cash used in investing activities		(3,340,875)	(727,608)
FINANCING ACTIVITIES			
Capital contributions by non-controlling interests on the ordinary share capital of a non-wholly owned subsidiary		124,229	–
Capital contributions by non-controlling interests on the preference share capital of a non-wholly owned subsidiary		88,621	–
Dividend paid to non-controlling interests of a non-wholly owned subsidiary		(5,340,726)	(587,395)
Net cash used in financing activities		(5,127,876)	(587,395)
Net increase (decrease) in cash and cash equivalents		5,891,796	(2,901,330)
Cash and cash equivalents at beginning of year		16,909,259	19,882,094
Effect on exchange rate changes		208,004	(71,505)
Cash and cash equivalents at end of year	18	23,009,059	16,909,259

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

1. CORPORATE INFORMATION

Oriental City Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 December 2007 as an exempted company with limited liability. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 14 to the consolidated financial statements.

The Company and its subsidiaries are herein collectively referred to as “the Group”.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2012 consolidated financial statements. The adoption of the new/revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years.

A summary of the principal accounting policies adopted by the Group is set out in note 3 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 March each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases.

Non-controlling interests are presented separately in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity holders of the Company. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, is measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interests on the basis of present ownership interest even if it results in the non-controlling interests having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Company.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

Changes in ownership interest (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when the control is lost and (ii) the carrying amount of the assets (including goodwill, if any), and liabilities of the subsidiary and any non-controlling interests at the date when the control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary is recognised on the same basis as would be required if the holding company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary is accounted for as a financial asset, associate, jointly controlled entity or others as appropriate from the date when the control is lost.

Subsidiaries

A subsidiary, is an entity, in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's statement of financial position, an investment in subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

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 profit or loss 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 as set out below 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. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold improvements	Over the unexpired term of lease
Office equipment	20%

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Financial instruments

Recognition and derecognition

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 and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) when the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are direct attributable to the acquisition or issue of the financial assets or financial liabilities.

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 profit or loss.

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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets 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. Such impairment loss is reversed in subsequent periods through profit or loss 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.

Share capital

Ordinary shares are classified as equity.

Preference shares are classified as liabilities if they are redeemable at a specific date or at the shareholders' option; or if dividend payments are not discretionary. Preference shares that are not redeemable, or are redeemable only at the Group's option; and any dividend payments are discretionary, are classified as equity.

Cash equivalents

For the purpose of the consolidated statement of cash flows, 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. For classification in the statement of financial position, cash equivalents represent assets similar in nature to cash and which are not restricted to use.

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 basis.

Card acceptance transaction fee income is generally recognised on an accruals basis when the service has been provided, which generally coincides with the time when the transactions are approved and executed.

Service income is recognised when services are rendered.

Foreign exchange rate discount income is recognised when the foreign currency denominated funds are received from the 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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 (the "functional currency"). The consolidated financial statements 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 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 profit or loss.

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency (the "foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- Income and expenses for each income statement and statement of comprehensive income are translated at average rates; and
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item 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 profit or loss when the gain or loss on disposal is recognised.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and interests in subsidiaries 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 estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets *(continued)*

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 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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable/receivables under operating leases are charged/credited to profit or loss on a straight-line basis over the term of the relevant lease/sublease.

Lease incentives received are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined contribution plans

The obligations for contributions to defined contribution retirement plans are recognised as expenses in profit or loss as incurred. The assets of the plans are held separately from those of the Group in certain independently administered funds.

In accordance with the rules and regulations in the People's Republic of China ("PRC") and Thailand, the employees of the Group's entities established in the PRC and Thailand are required to participate in defined contribution retirement plans organised by local governments. Contributions to those 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Share-based payment transactions

Equity-settled transactions

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

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

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

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

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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 end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other 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 is not recognised.

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 end of the reporting period.

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.

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Related parties *(continued)*

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

(a) Critical judgements made in applying accounting policies

(i) Subsidiary

According to the relevant laws and regulations in Thailand, in particular the Foreign Business Act (the "FBA"), Oriental City Group (Thailand) Company Limited ("OCG Thailand"), being a company engaged in the provision for card acceptance business in Thailand, must be owned as to more than 50% by Thai citizens.

With reference to the preference shares structure arrangement (the "Preference Shares Structure") of OCG Thailand as described in note 14 to the consolidated financial statements, majority of OCG Thailand's issued capital, including ordinary and preference share capital, is owned by Thai citizens. However, the Company, through its wholly owned subsidiary, Oriental City Group Thailand Limited, is able to exercise more than 50% voting power in any shareholders' meeting of OCG Thailand.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Critical accounting estimates and judgements *(continued)*

(a) *Critical judgements made in applying accounting policies (continued)*

(i) *Subsidiary (continued)*

The Company's legal advisors as to Thai laws have confirmed that the Preference Shares Structure is in compliance with all existing laws and regulations in Thailand, in particular the FBA. In light of no previous supreme court judgement ruling the invalidity of similar capital structure of OCG Thailand as opposed to the FBA and related interpretations, after due and careful consideration of all relevant factors together with the legal opinion obtained, the management assesses and concludes that the Preference Shares Structure is valid, legal and enforceable in Thailand.

Based upon the management's judgement on the Preference Shares Structure, the Company accounts 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.

(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 profit or loss.

(ii) *Impairment of property, plant and equipment*

The management determines whether the Group's property, plant and equipment are impaired when 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 profit or loss.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Critical accounting estimates and judgements *(continued)*

(b) Key sources of estimation uncertainty (continued)

(iii) Impairment of investments and receivables

The Company assess annually if its investment in subsidiaries suffered any impairment in accordance with HKAS 36 and follows the guidance of HKAS 39 in determining whether amounts due from the subsidiaries are impaired. Details of the approach are stated in the accounting policies set out above. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of the subsidiaries would affect the estimation of impairment loss and result in the adjustments of their carrying amounts.

(iv) 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 customer and other debtors were to deteriorate, resulting in an impairment of their ability to make payments, provision may be required.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

4. FUTURE CHANGES IN HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current period, which the Group has not early adopted.

Amendments to HKAS 1	<i>Presentation of items of other comprehensive income</i> ^[1]
HKAS 19 (2011)	<i>Employee Benefits</i> ^[2]
HKAS 27 (2011)	<i>Separate Financial Statements</i> ^[2]
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ^[2]
HKFRS 10	<i>Consolidated financial statements</i> ^[2]
HKFRS 11	<i>Joint Arrangements</i> ^[2]
HKFRS 12	<i>Disclosures of Interests in Other Entities</i> ^[2]
Amendments to HKFRS 10, HKFRS 11, HKFRS 12	<i>Additional transition relief – Consolidated financial statements, Joint Arrangements, Disclosures of Interests in Other Entities</i> ^[2]
HKFRS 13	<i>Fair value measurement</i> ^[2]
Amendments to HKFRS 1	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i> ^[2]
HK(IFRIC) – Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ^[2]
Various HKFRSs	<i>Annual Improvements Project – 2009-2011 Cycle</i> ^[2]
Amendments to HKFRS 7	<i>Disclosure – Offsetting Financial Assets and Financial Liabilities</i> ^[2]
Amendments to HKAS 32	<i>Presentation – Offsetting Financial Assets and Financial Liabilities</i> ^[3]
Amendments to HKAS 27 (2011), HKFRS 10, HKFRS 12	<i>Investment Entities – Amendments to Separate Financial Statements, Consolidated Financial Statements, Disclosures of Interests in Other Entities</i> ^[3]
HKFRS 9	<i>Financial Instruments</i> ^[4]
Amendments to HKFRS 9 and HKFRS 7	<i>Mandatory Effective Date of HKFRS 9, Financial Instruments, and Transition Disclosure</i> ^[4]

^[1] Effective for annual periods beginning on or after 1 July 2012

^[2] Effective for annual periods beginning on or after 1 January 2013

^[3] Effective for annual periods beginning on or after 1 January 2014

^[4] Effective for annual periods beginning on or after 1 January 2015

The directors are in the process of assessing the possible impact on the future adoption of these new / revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

5. SEGMENT REPORTING

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

- (i) card acceptance business in Thailand; and
- (ii) co-branded card partnership business and marketing business in the PRC.

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

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

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

Revenue from customers contributing over 10% of the total sales of the Group is also reflected within the operating segment information.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

5. SEGMENT REPORTING (continued)

Year ended 31 March 2013

	Card acceptance business HK\$	Co-branded card partnership business and marketing business HK\$	Consolidated HK\$
Segment revenue			
Major customer A	19,550,633	–	19,550,633
Major customer B	18,339,746	–	18,339,746
Other customers	46,684,876	–	46,684,876
	84,575,255	–	84,575,255
Segment results	19,551,034	(105,571)	19,445,463
Unallocated interest and other income			60,014
Unallocated finance costs			(33,634)
Unallocated other expenses			(9,240,231)
Profit before taxation			10,231,612
Income tax expense			(5,166,001)
Profit for the year			5,065,611

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

5. SEGMENT REPORTING (continued)

Year ended 31 March 2012

	Card acceptance business HK\$	Co-branded card partnership business and marketing business HK\$	Consolidated HK\$
Segment revenue			
Major customer A	4,482,086	–	4,482,086
Major customer C	2,458,629	–	2,458,629
Other customers	14,718,474	910,000	15,628,474
	<u>21,659,189</u>	<u>910,000</u>	<u>22,569,189</u>
Segment results	<u>3,535,499</u>	<u>715,457</u>	4,250,956
Unallocated interest and other income			197,591
Unallocated finance costs			(31,265)
Unallocated other expenses			(5,441,949)
Loss before taxation			(1,024,667)
Income tax expense			(1,291,860)
Loss for the year			<u>(2,316,527)</u>

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

5. SEGMENT REPORTING (continued)

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

At 31 March 2013

	Card acceptance business HK\$	Co-branded card partnership business and marketing business HK\$	Unallocated HK\$	Consolidated HK\$
Property, plant and equipment	3,157,428	5,555	293,048	3,456,031
Other assets	83,790,947	12,043	10,286,656	94,089,646
Total assets	86,948,375	17,598	10,579,704	97,545,677
Total liabilities	77,568,244	–	1,506,050	79,074,294
Additional segment information:				
Depreciation	911,983	1,579	91,079	1,004,641
Additions to property, plant and equipment	3,327,888	–	12,987	3,340,875

At 31 March 2012

	Card acceptance business HK\$	Co-branded card partnership business and marketing business HK\$	Unallocated HK\$	Consolidated HK\$
Property, plant and equipment	597,788	7,097	371,139	976,024
Other assets	12,441,795	7,307	13,362,771	25,811,873
Total assets	13,039,583	14,404	13,733,910	26,787,897
Total liabilities	9,651,205	–	325,348	9,976,553
Additional segment information:				
Depreciation	250,278	1,560	59,881	311,719
Additions to property, plant and equipment	496,980	–	305,628	802,608

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

6. REVENUE

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

	2013 HK\$	2012 HK\$
Card acceptance transaction fee income	65,024,622	17,177,103
Foreign exchange rate discount income	19,550,633	4,482,086
Marketing service fee income	–	910,000
	84,575,255	22,569,189

7. OTHER INCOME

	2013 HK\$	2012 HK\$
Bank interest income	60,014	43,801
Income from operating sublease	–	150,000
Sundry income	–	3,790
	60,014	197,591

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

8. PROFIT (LOSS) BEFORE TAXATION

	2013 HK\$	2012 HK\$
This is stated after charging:		
(a) Finance costs		
Finance costs on other long-term liabilities	33,634	31,265
(b) Staff costs, including key management remuneration		
Salaries, allowances and other short-term employee benefits	6,584,533	3,081,274
Contributions to defined contribution plans	95,882	65,098
Equity-settled share-based payment expenses	928,417	–
	7,608,832	3,146,372
(c) Key management remuneration, including directors' remuneration		
Salaries, allowances and other short-term employee benefits	4,719,628	2,097,739
Contributions to defined contribution plans	64,988	34,074
Equity-settled share-based payment expenses	928,417	–
	5,713,033	2,131,813
(d) Other items		
Auditor's remuneration	371,745	357,608
Depreciation of property, plant and equipment	1,004,641	311,719
Operating lease charges on premises	1,217,321	1,080,507

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

9. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the Company's directors are as follows:

	Directors' fees HK\$	Salaries, allowances and other short-term employee benefits HK\$	Contributions to defined contribution plans HK\$	Equity-settled share-based payment expenses HK\$	Total HK\$
Year ended 31 March 2013					
Executive directors					
Mr. Cheng Nga Ming Vincent	-	120,000	6,000	-	126,000
Ms. Cheng Nga Yee	-	120,000	6,000	-	126,000
	-	240,000	12,000	-	252,000
Non-executive director					
Mr. Zhang Huaqiao [#]	272,000	-	-	928,417	1,200,417
Independent non-executive directors					
Mr. Chan Chun Wai	100,000	-	-	-	100,000
Mr. Lee Kin Fai	48,000	-	-	-	48,000
Mr. Chow King Lok	48,000	-	-	-	48,000
	196,000	-	-	-	196,000
	468,000	240,000	12,000	928,417	1,648,417

Year ended 31 March 2012

Executive directors					
Mr. Yu Chun Fai*	-	73,667	3,683	-	77,350
Mr. Cheng Nga Ming Vincent	-	120,000	6,113	-	126,113
Ms. Cheng Nga Yee	-	120,000	6,113	-	126,113
	-	313,667	15,909	-	329,576
Independent non-executive directors					
Mr. Chan Chun Wai	100,000	-	-	-	100,000
Mr. Lee Kin Fai	48,000	-	-	-	48,000
Mr. Chow King Lok	48,000	-	-	-	48,000
	196,000	-	-	-	196,000
	196,000	313,667	15,909	-	525,576

[#] Appointed during the year ended 31 March 2013

* Resigned during the year ended 31 March 2012

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 March 2013 and 2012. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the years ended 31 March 2013 and 2012.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2012: one) director, Mr. Zhang Huaqiao (2012: Mr. Cheng Nga Ming Vincent), of whose remuneration is set out in note 9 to the consolidated financial statements. Details of the remuneration of the remaining four (2012: four) non-directors, highest paid employees for the year are as follows:

	2013 HK\$	2012 HK\$
Salaries, allowances and other short-term employee benefits	4,130,628	2,181,739
Contributions to defined contribution plans	63,738	33,848
	4,194,366	2,215,587

The number of non-directors, highest paid employees whose remuneration fell within the following band:

	Number of employees	
	2013	2012
Band		
Nil to HK\$1,000,000	3	4
HK\$1,000,001 to HK\$2,000,000	–	–
HK\$2,000,001 to HK\$3,000,000	1	–
	4	4

During the years ended 31 March 2013 and 2012, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

There was no arrangement under which any of the five highest paid employees waived or agreed to waive any remuneration during the years ended 31 March 2013 and 2012.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

11. TAXATION

	2013 HK\$	2012 HK\$
Current tax		
Thailand enterprise income tax	4,361,893	1,029,751
Withholding tax on dividend declared by a non-wholly owned subsidiary	801,108	88,109
	5,163,001	1,117,860
Deferred tax		
Withholding tax on undistributed earnings of a non-wholly owned subsidiary	3,000	174,000
Income tax expense for the year	5,166,001	1,291,860

(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 years ended 31 March 2013 and 2012.

(ii) **Income taxes outside Hong Kong**

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

OCG Thailand is subject to Thailand enterprise income tax at 23% (2012: 30%).

Oriental City Group (Hainan) Services Limited ("OCG China"), being a foreign-invested enterprise established in a special economic zone of the PRC, is subject to PRC enterprise income tax at 18% in the year 2008, 20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012 (and thereafter). However, no income tax has been provided as OCG China incurred losses for taxation purposes for the years ended 31 March 2013 and 2012.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

11. TAXATION (continued)

(ii) Income taxes outside Hong Kong (continued)

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 end of the reporting period, there is no impact on the Group's results or financial position.

Dividends payable by a foreign invested enterprise in the PRC or 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 or Thailand that provides for a different withholding arrangement.

Reconciliation of income tax expense

	2013 HK\$	2012 HK\$
Profit (Loss) before taxation	10,231,612	(1,024,667)
Income tax at applicable tax rate	2,185,935	(21,441)
Non-deductible expenses	2,085,797	1,027,341
Unrecognised tax losses	26,388	38,128
Withholding tax on dividend declared by a non-wholly owned subsidiary	801,108	88,109
Withholding tax on undistributed earnings of a non-wholly owned subsidiary	3,000	174,000
Others	63,773	(14,277)
Income tax expense for the year	5,166,001	1,291,860

The applicable tax rate is the weighted average of rates calculated by dividing sum of nominal income tax expenses compiled with the tax rates prevailing in the territories in which the Group's entities operate against profit or loss before taxation. The change in applicable tax rate is caused by changes in the taxable results of the Group's subsidiaries in the respective countries.

12. LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The loss attributable to the equity holders of the Company for the year ended 31 March 2013 includes a loss of HK\$7,415,464 (2012: HK\$1,318,809) which has been dealt with in the financial statements of the Company.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

13. LOSS PER SHARE

Basic loss per share is calculated based on the consolidated loss for the year attributable to the equity holders of the Company of HK\$499,858 (2012: HK\$3,231,650) and on the weighted average number of 600,000,000 ordinary shares (2012: 600,000,000 ordinary shares) in issue during the year.

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the year ended 31 March 2013 and there was no potential ordinary shares outstanding during the year ended 31 March 2012.

14. INTERESTS IN SUBSIDIARIES

	The Company	
	2013 HK\$	2012 HK\$
Unlisted shares, at cost	8,941	8,941
Due from subsidiaries	6,606,895	2,830,507
Impairment	(5,996,557)	–
	610,338	2,830,507
	619,279	2,839,448

The amounts due from subsidiaries are unsecured, interest-free and the settlement of the amounts due is neither planned nor likely to occur in the foreseeable future.

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation / establishment	Particulars of issued and paid up capital/ registered capital	Effective ownership interests held by the Company		Principal activities
			Direct	Indirect	
OCG China Company Limited	Hong Kong, 2 December 2011	Ordinary, HK\$100	–	70%	Provision of marketing and administrative services
Rosy City Holdings Limited	BVI, 18 November 2011	Ordinary, US\$1	100%	–	Investment holding

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

14. INTERESTS IN SUBSIDIARIES (continued)

Name	Place and date of incorporation / establishment	Particulars of issued and paid up capital/ registered capital	Effective ownership interests held by the Company		Principal activities
			Direct	Indirect	
Grand Vision Investments Limited	Hong Kong, 14 November 2011	Ordinary, HK\$10,000	–	100%	Inactive
Victory Pacific Investments Limited	BVI, 11 November 2011	Ordinary, US\$1	–	100%	Investment holding
Oriental City Group Asia Pacific Limited	BVI, 8 September 2011	Ordinary, US\$1	–	100%	Investment holding
OCG South Asia (BVI) Limited	BVI, 19 March 2010	Ordinary, US\$1	–	100%	Investment holding
Oriental City Group Lao Co., Limited	Laos, 8 January 2010	Registered capital, US\$100,000	–	100%	Card acceptance business
Charm Act Group Limited	BVI, 30 November 2007	Ordinary, US\$100	100%	–	Investment holding
Oriental City Group China Limited (“OCG China (BVI)”))	BVI, 7 May 2007	Ordinary, US\$1	–	100%	Investment holding and marketing business
Oriental City Group Thailand Limited (“OCG Thailand (BVI)”))	BVI, 7 May 2007	Ordinary, US\$100	–	100%	Investment holding
奥思知(海南)服务有限公司 Oriental City Group (Hainan) Services Limited* (“OCG China”))	PRC, 24 October 2005	Registered capital, HK\$150,000	–	100%	Co-branded card partnership business
Oriental City Group (Thailand) Company Limited (“OCG Thailand”))	Thailand, 27 September 2004	Ordinary, Baht 7,500,000 Preference, Baht 1,650,000 <Remark>	–	60% Nil	Card acceptance business

* The English name is for identification purpose only.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

14. INTERESTS IN SUBSIDIARIES *(continued)*

Except for the preference share capital as issued by OCG Thailand, none of the subsidiaries had any other debt securities outstanding at the end of the year, or at any time during the year.

<Remark>

OCG Thailand's share capital is comprised of ordinary share capital of Baht 7,500,000 (equivalent to approximately HK\$1,973,000) (2012: Baht 6,250,000 (equivalent to approximately HK\$1,570,000)) and preference share capital of Baht 1,650,000 (equivalent to approximately HK\$434,000) (2012: Baht 1,375,000 (equivalent to approximately HK\$345,000)).

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 rate of 9% paid up value 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 are classified as liabilities instead of equity in the Group's consolidated financial statements in accordance with applicable accounting standards because, although they are not redeemable, the holders of which are entitled to receive 9% cumulative dividend on the paid up value of the preference shares issued, which is treated as cost of financing, and are only entitled to OCG Thailand's residual assets limited to the nominal value of their paid-up capital.

Therefore, the results and financial position of OCG Thailand are included in the Group's consolidated financial statements, after accounting for the paid up value of the preference shares issued and related cumulative dividend, to the extent of 60% ordinary equity interests attributable to the equity holders of the Company according to the proportion of ordinary shares indirectly held by the Company through OCG Thailand (BVI).

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

15. PROPERTY, PLANT AND EQUIPMENT

	The Group		
	Leasehold improvements <i>HK\$</i>	Office equipment <i>HK\$</i>	Total <i>HK\$</i>
Cost			
At 1 April 2011	80,324	2,548,286	2,628,610
Additions	–	802,608	802,608
Disposals	–	(6,821)	(6,821)
Exchange realignments	(1,403)	(50,555)	(51,958)
At 31 March 2012 and at 1 April 2012	78,921	3,293,518	3,372,439
Additions	–	3,340,875	3,340,875
Exchange realignments	3,236	293,513	296,749
At 31 March 2013	82,157	6,927,906	7,010,063
Accumulated depreciation			
At 1 April 2011	23,541	2,111,574	2,135,115
Charges	27,925	283,794	311,719
Disposals	–	(6,821)	(6,821)
Exchange realignments	(594)	(43,004)	(43,598)
At 31 March 2012 and at 1 April 2012	50,872	2,345,543	2,396,415
Charges	27,350	977,291	1,004,641
Exchange realignments	3,217	149,759	152,976
At 31 March 2013	81,439	3,472,593	3,554,032
Net book value			
At 31 March 2013	718	3,455,313	3,456,031
At 31 March 2012	28,049	947,975	976,024

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

16. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Trade receivables	62,956,497	6,640,669	–	–
Other receivables				
Deposits, prepayments and other debtors	1,625,535	1,243,468	562,307	543,938
	64,582,032	7,884,137	562,307	543,938

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

The Group allows a credit period up to 90 days to its trade debtors and the trade debtors usually settle the outstanding balance within 90 days from the billing date. As at the end of the reporting period, all trade receivables are fully performing.

Included in trade and other receivables is the following amount denominated in a currency other than the functional currency of the Group's entities:

	The Group	
	2013 HK\$	2012 HK\$
United States Dollars ("US\$")	62,042,652	6,549,967

17. RESTRICTED BANK BALANCES

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

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Bank balances and cash are denominated in:				
HK\$	9,480,123	12,492,398	8,895,079	12,265,116
Renminbi ("RMB")	7,718	7,307	–	–
Baht	13,521,218	4,409,554	–	–
	23,009,059	16,909,259	8,895,079	12,265,116

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Trade payables	68,557,428	7,646,712	–	–
Other payables				
Accrued charges and other payables	7,830,867	1,518,559	1,228,910	313,700
	76,388,295	9,165,271	1,228,910	313,700

All trade payables are aged within 30 days at the end of the reporting period.

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

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Year ended 31 March 2013

20. DEFERRED TAXATION

The movement for the year in the Group's deferred tax liabilities was as follows:

	The Group	
	2013	2012
	HK\$	HK\$
At beginning of the reporting period	174,000	–
Charge to profit or loss	3,000	174,000
At end of the reporting period	177,000	174,000

Recognised deferred tax liabilities at the end of the reporting period represent the following:

	2013	2012
	HK\$	HK\$
Withholding tax on undistributed earnings of a non-wholly owned subsidiary	177,000	174,000
Amount expected to be recovered after more than 12 months	177,000	174,000

At the end of the reporting period, the directors of the Company considered the current dividend distribution policy of a non-wholly owned subsidiary established in Thailand that the subsidiary is able to generate sufficient funding to finance its operations and distribute dividend in the foreseeable future. Accordingly, deferred tax liabilities of HK\$177,000 (2012: HK\$174,000) has been recognised for the future withholding tax implications of the undistributed earnings of the subsidiary.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

20. DEFERRED TAXATION (continued)

Unrecognised deferred taxation

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 expire as follows:

	The Group	
	2013	2012
	HK\$	HK\$
Year 2013	–	676,622
Year 2014	189,965	187,655
Year 2015	212,823	210,234
Year 2016	239,722	236,806
Year 2017	141,608	139,885
Year 2018	103,973	–
	888,091	1,451,202

21. OTHER LONG-TERM LIABILITIES

Other long-term liabilities represent preference shares issued by OCG Thailand as detailed in note 14 to the consolidated financial statements.

At the end of the reporting period, the Group had an outstanding amount due to a non-controlling shareholder of Baht 1,650,000 (equivalent to HK\$433,994) (2012: Baht 1,375,000 (equivalent to HK\$345,373)) in respect of the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividend at 9% per annum. In addition, the relevant dividend on the preference share capital of OCG Thailand was fully settled before the end of reporting period.

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Year ended 31 March 2013

22. SHARE CAPITAL

	2013		2012	
	Number of shares	Nominal value HK\$	Number of shares	Nominal value HK\$
Authorised	2,000,000,000	20,000,000	2,000,000,000	20,000,000
Issued and fully paid	600,000,000	6,000,000	600,000,000	6,000,000

23. RESERVES

	The Company			
	Share premium HK\$ (Note 23a)	Share options reserve HK\$ (Note 24)	Accumulated losses HK\$	Total HK\$
At 1 April 2011	14,558,608	–	(3,904,997)	10,653,611
Loss for the year and total comprehensive loss for the year	–	–	(1,318,809)	(1,318,809)
At 31 March 2012	14,558,608	–	(5,223,806)	9,334,802
At 1 April 2012	14,558,608	–	(5,223,806)	9,334,802
Loss for the year and total comprehensive loss for the year	–	–	(7,415,464)	(7,415,464)
Recognition of equity-settled share-based payment expenses	–	928,417	–	928,417
At 31 March 2013	14,558,608	928,417	(12,639,270)	2,847,755

Notes to the Consolidated Financial Statements

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23. RESERVES *(continued)*

23(a) SHARE PREMIUM

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

23(b) CAPITAL RESERVE

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 interests, after adjusting the registered capital held by those attributable to the non-controlling shareholders, and the deemed capital contribution from the former controlling party prior to the listing of the Company on the GEM of the Stock Exchange.

23(c) 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 policies as set out in note 3 of the consolidated financial statements.

23(d) STATUTORY RESERVE

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

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24. SHARE OPTION SCHEME

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

The total number of the shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not exceed 60,000,000 shares, representing 10% of the shares in issue at the date of adoption of the Scheme and 31 March 2013. The total number of the shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue on the last day of such 12-month period unless approval from the shareholders of the Company in general meeting is obtained with such participant and his/her associates abstaining from voting.

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

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

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

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

There were no movements of the Share Options from the date of grant (i.e. 7 September 2012) to 31 March 2013.

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24. SHARE OPTION SCHEME (continued)

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

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

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

As at 31 March 2013, the number of shares in respect of which the Share Options had been granted and remained outstanding under the Scheme was 6,000,000 (2012: Nil), representing 1% (2012: Nil) of the shares of the Company in issue at that date. The share options outstanding at 31 March 2013 have an exercise price of HK\$0.84 and a weighted average remaining contractual life of 4.44 years.

During the year, with reference to the fair value of the Share Options, the Group recognised HK\$928,417 (2012: HK\$Nil) as the equity-settled share-based payment expenses.

25. CASH GENERATED FROM (USED IN) OPERATIONS

	2013 HK\$	2012 HK\$
Profit (Loss) before taxation	10,231,612	(1,024,667)
Depreciation	1,004,641	311,719
Foreign exchange differences	(120,932)	(16,326)
Finance costs	33,634	31,265
Interest income	(60,014)	(43,801)
Equity-settled share-based payment expenses	928,417	–
Changes in working capital:		
Restricted bank balances	(5,432,046)	166,991
Trade and other receivables	(56,347,627)	(2,653,090)
Trade and other payables	66,769,803	2,636,214
Cash generated from (used in) operations	17,007,488	(591,695)

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26. CONNECTED AND RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group had the following connected and related party transactions during the years ended 31 March 2013 and 2012.

Relationship with the Group	Nature of transaction	2013	2012
		HK\$	HK\$
A former fellow subsidiary of the Group <Remark>	Administrative service fee paid	-	49,100

<Remark>

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

27. COMMITMENTS

Commitments under operating leases

The Group leases a number of office premises under operating leases, which typically run for a period of 2 to 3 years. None of the leases includes contingent rentals.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Within one year	1,179,213	459,206	1,176,000	420,400
In the second to fifth years inclusive	784,000	3,234	784,000	-
	1,963,213	462,440	1,960,000	420,400

Capital expenditure commitments

	The Group	
	2013 HK\$	2012 HK\$
Contracted but not provided for, net of deposits paid	-	490,000

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

28. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's principal financial instruments comprise preference shares issued by a non-wholly owned subsidiary, 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 and other receivables and trade and other 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 executive directors meet regularly and co-operate closely with key management to identify and evaluate risks and generally adopt conservative strategies on its risk management and limit the Group's exposure to these risks to a minimum as follows:

(i) Foreign currency risk

The Group mainly operates in Hong Kong, the PRC and Thailand with majority of business transactions being denominated and settled in HK\$, RMB and Baht, which are the functional currencies of the relevant group entities.

However, as detailed in note 16 of the consolidated financial statements, the Group's trade receivables arising from the operation of card acceptance business in Thailand are mainly denominated in US\$. The Directors and senior management monitor the related foreign currency risk exposure closely and, pursuant to a written foreign currency hedging guideline as approved by the Directors, the Group will enter into foreign currency forward contracts should needs arise. At 31 March 2013, the Group had outstanding foreign currency forward contracts for the exchange of US\$ with Baht of US\$8,355,000 (equivalent to approximately HK\$65,172,000) (2012: US\$700,000 (equivalent to approximately HK\$5,460,000)). No material fair value gain or loss has been recognised for the foreign currency forward contracts.

At the end of the reporting period, if US\$ had strengthened/weakened by 1% (2012: 1%) against Baht with all other variables held constant, the Group's net profit for the year would have been approximately HK\$620,000 higher/lower (2012: net loss for the year would have been approximately HK\$66,000 lower/higher), mainly as a result of translation of the US\$ denominated financial assets into Baht with a corresponding credit/charge to profit or loss. Such exposure would be largely mitigated by the foreign currency forward contracts as detailed above.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

28. FINANCIAL INSTRUMENTS *(continued)*

(a) Financial risk management objectives and policies *(continued)*

(i) Foreign currency risk *(continued)*

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at end of the reporting period and had been applied to Group's exposure to currency risk for the financial instruments denominated in US\$ in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably daily possible changes in foreign exchange rates.

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 consolidated financial statements for the years.

In addition, as detailed in note 17 and note 18 of the consolidated financial statements, part of the restricted and 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 Company's exposure to market risk for changes in interest rates is related primarily to its interest-bearing financial assets including restricted and unrestricted bank balance and cash and time deposits as detailed in note 17 and note 18 of the consolidated financial statements. The management considers that the interest rate risk encountered by the Group is currently not significant.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

28. FINANCIAL INSTRUMENTS *(continued)*

(a) Financial risk management objectives and policies *(continued)*

(iii) Credit risk

Credit risk mainly arises from restricted and unrestricted bank balances and cash and time deposits, trade receivables and other receivables. 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:

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Trade and other receivables	64,582,032	7,884,137	562,307	543,938
Restricted bank balances	6,498,555	1,018,477	–	–
Cash and cash equivalents	23,009,059	16,909,259	8,895,079	12,265,116

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 directors of the Company. Management does not expect any counterparty to fail to meet its obligation.

The Group reviews the recoverable amount of each individual debtor, including related and third parties, at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

At the end of the reporting period, there was one trade debtor accounted for 99% (2012: 99%) of the total outstanding trade receivables. The management considers the credit risk in respect of this debtor is minimal because it is an authorised 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

28. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(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, public fund raisings and other borrowings.

The Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments are summarised below:

	The Group		The Company	
	Within one year or on demand HK\$	Upon winding up of OCG Thailand HK\$	Total HK\$	Within one year or on demand HK\$
At 31 March 2013				
Trade and other payables	76,388,295	–	76,388,295	1,228,910
Other long-term liabilities				
<Remark>	–	433,994	433,994	–
	76,388,295	433,994	76,822,289	1,228,910
At 31 March 2012				
Trade and other payables	9,165,271	–	9,165,271	313,700
Other long-term liabilities				
<Remark>	–	345,373	345,373	–
	9,165,271	345,373	9,510,644	313,700

<Remark>

The estimated annual finance cost of other long-term liabilities approximates to Baht 134,000 (equivalent to approximately HK\$33,600) (2012: Baht 124,000 (equivalent to approximately HK\$31,000)).

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

28. FINANCIAL INSTRUMENTS (continued)

(b) 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:

	The Group		The Company	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Loans and receivables:				
Trade and other receivables	64,582,032	7,884,137	562,307	543,938
Restricted bank balances	6,498,555	1,018,477	–	–
Cash and cash equivalents	23,009,059	16,909,259	8,895,079	12,265,116
	94,089,646	25,811,873	9,457,386	12,809,054
Financial liabilities measured at amortised costs:				
Trade and other payables	76,388,295	9,165,271	1,228,910	313,700
Other long-term liabilities	433,994	345,373	–	–
	76,822,289	9,510,644	1,228,910	313,700

In the opinion of the directors of the Company, the carrying values of above financial assets and liabilities approximate their fair values.

Notes to the Consolidated Financial Statements

Year ended 31 March 2013

29. 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 directors of the Company consider the total equity as disclosed in the consolidated statement of financial position as the Group's capital.

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 years ended 31 March 2013 and 2012.

30. EVENTS AFTER THE REPORTING PERIOD

In February 2013, the Group entered into a non-legally binding memorandum of understanding with a third party in respect of a possible acquisition of equity interests in a target company. The target company, together with its subsidiary, is principally engaged in the payment card business in the PRC. A legally binding agreement in relation to this possible acquisition is yet to be finalised as at the date of these consolidated financial statements and therefore, it is not practicable to reliably estimate the financial effect for this possible acquisition.

In March 2013, the Group also entered into a sale and purchase agreement with two purchasers for disposal of the Group's 30% equity interest in OCG Thailand (BVI), a wholly owned subsidiary, with an aggregate consideration of HK\$10 million (the "Disposal"). The Disposal was approved in an extraordinary general meeting of the Company held on 10 May 2013. Upon the completion of the Disposal on 15 May 2013, OCG Thailand (BVI) becomes a non-wholly owned subsidiary of the Group and its financial position and results would continue to be consolidated by the Group. A gain of approximately HK\$8.2 million is recognised directly in equity upon the completion of the Disposal.

Financial Summary

A summary of the Group's results for the last five financial years and the assets and liabilities of the Group as at 31 March 2013, 2012, 2011, 2010 and 2009, as extracted from the published audited financial statements for the years ended 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 or the prospectus of the Company dated 24 August 2009 after reclassification of certain expense items to conform with the latest presentation, is set out below. The amounts as set out in this financial summary are prepared as if the current structure of the Group had been in existence throughout the years presented.

	2013 HK\$	2012 HK\$	2011 HK\$	2010 HK\$	2009 HK\$
RESULTS					
Revenue	84,575,255	22,569,189	14,102,005	12,464,267	7,807,445
Cost of services rendered	(57,356,508)	(15,254,037)	(8,695,634)	(8,284,869)	(5,104,265)
Gross profit	27,218,747	7,315,152	5,406,371	4,179,398	2,703,180
Other income	60,014	197,591	211,936	40,079	32,072
General administrative expenses	(14,129,846)	(7,545,009)	(7,197,475)	(4,525,457)	(2,143,064)
Selling and distribution costs	(2,883,669)	(961,136)	(694,486)	(673,706)	(544,676)
Finance costs	(33,634)	(31,265)	(30,682)	(39,709)	–
Profit (Loss) before taxation	10,231,612	(1,024,667)	(2,304,336)	(1,019,395)	47,512
Income tax expense	(5,166,001)	(1,291,860)	(543,761)	(474,141)	307,977
Profit (Loss) for the year	5,065,611	(2,316,527)	(2,848,097)	(1,493,536)	355,489
Attributable to:					
Equity holders of the Company	(499,858)	(3,231,650)	(3,332,986)	(1,879,136)	(145,451)
Non-controlling interest	5,565,469	915,123	484,889	385,600	500,940
	5,065,611	(2,316,527)	(2,848,097)	(1,493,536)	355,489
ASSETS, LIABILITIES					
Total assets	97,545,677	26,787,897	26,982,759	25,011,420	11,427,525
Total liabilities	(79,074,294)	(9,976,553)	(7,202,228)	(2,565,219)	(8,406,314)
Net assets	18,471,383	16,811,344	19,780,531	22,446,201	3,021,211