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REORIENT GROUP LIMITED
瑞東集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

ANNOUNCEMENT

- (1) SUBSCRIPTION OF NEW SHARES;**
- (2) APPLICATION FOR WHITEWASH WAIVER;**
- (3) RESIGNATION OF DIRECTORS; AND**
- (4) RESUMPTION OF TRADING**

THE SUBSCRIPTION

On 7 May 2015, YFHL and the Other Investors entered into the Share Subscription Agreements with the Company pursuant to which the Investors have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 1,942,520,000 Subscription Shares at an issue price of HK\$2.00 per Subscription Share to the Investors in an aggregate amount of HK\$3,885,040,000. Out of the 1,942,520,000 Subscription Shares, 1,342,976,000 Subscription Shares representing a shareholding percentage of approximately 56% as enlarged by the issue of the Subscription Shares upon Closing, would be subscribed for by Jade Passion, an indirect subsidiary owned as to 73.21% by YFHL.

The issue of the Subscription Shares will be subject to a specific mandate to be approved by the Independent Shareholders at the EGM by ordinary resolution.

Neither YFHL, Jade Passion nor any party acting in concert with them has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the Subscription Agreement, and none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

WHITEWASH WAIVER

Immediately after Closing, the Concert Group will in aggregate be interested in 1,342,976,000 Shares, representing approximately 294.64% of the issued share capital of the Company as at the date of this announcement and approximately 56.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares).

Under Rule 26.1 of the Takeovers Code, the Concert Group would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, Jade Passion will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the YFHL Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of a poll. Closing of the YFHL Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by Independent Shareholders.

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

RESIGNATION OF DIRECTORS

Pursuant to the Subscription Agreements, each of the current executive Directors (except for Mr. Ko and Mr. Brett McGonegal), being Mr. Chen Shengjie, Ms. Ko Wing Yan, Samantha and Mr. Tsoi Tong Hoo, Tony, shall resign as a Director with effect from Closing. It is envisaged that six new Directors (including the chairman and one independent non-executive director) nominated by YFHL shall be appointed to the Board with effect from Closing if so elected in accordance with the Company's articles of association.

GENERAL

A circular containing, among other things, details of the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver and the notice of the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The voting in relation to the YFHL Subscription, each of the Other Investors' Subscriptions and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby Shareholders who are interested or involved in the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver and their respective associates and parties acting in concert with each of them shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 21 April 2015. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 1 June 2015.

Warning: The YFHL Subscription and the Other Investors' Subscriptions are subject to the fulfilment or waiver (as the case may be) of a number of conditions precedent set out under the section headed "Conditions of the Subscriptions" under "THE SUBSCRIPTION AGREEMENTS" in this announcement, including, among other things, approval by the Independent Shareholders. As such, the YFHL Subscription and the Other Investors' Subscriptions may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

THE SUBSCRIPTION AGREEMENTS

Date : 7 May 2015

Issuer : the Company

Investors : YFHL, Harbour Yields, Violet Passion, Gentle Bright and Chosen Global (each of which entered into a separate Share Subscription Agreement with the Company)

Pursuant to the YFHL Subscription Agreement, the YFHL Subscription Share shall be at Closing issued to an indirectly controlled subsidiary of YFHL and, Jade Passion, a 73.21% owned subsidiary of YFHL, is the indirectly controlled subsidiary for this purpose.

The Investors and Jade Passion and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. Please refer to the section headed "Information on the Investors" for more information of the Investors.

The Subscriptions

On 7 May 2015, the Company and the Investors entered into five Subscription Agreements pursuant to which each of the Investors has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 1,942,520,000 Subscription Shares at an issue price of HK\$2.00 per Subscription Share to the Investors in an aggregate amount of HK\$3,885,040,000.

The following table sets out a summary of the Subscription Shares to be subscribed for by each of the Investors pursuant to the Subscription Agreements:

Name	Number of Subscription Shares	Shareholding percentage (at Closing assuming: (a) Closing under the Subscription Agreements take place; and (b) there is no change to the share capital of the Company other than the issue of the Subscription Shares)
YFHL through its indirectly controlled subsidiary, Jade Passion	1,342,976,000	56.00%
Harbour Yields	155,882,000	6.50%
Violet Passion	167,872,000	7.00%
Gentle Bright	167,872,000	7.00%
Chosen Global	107,918,000	4.50%

The Subscription Price

The Subscription Price of HK\$2.00 per Subscription Share represents:

- (i) a discount of approximately 77.78% to the closing price of HK\$9.00 per Share as quoted on the Stock Exchange on 20 April 2015, being the Last Trading Day;
- (ii) a discount of approximately 73.72% to the average of the closing price per Share of approximately HK\$7.61 for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and

- (iii) a discount of approximately 71.14% to the average of the closing price per Share of approximately HK\$6.93 for the last 10 trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Investors after taking into account the prevailing market price of the Shares, the trading volume of the Shares, the portfolio of the financial assets held by the Company and their market value and the trading position, prospect of the Group's existing business and, the future business opportunities, relationships and capabilities potentially made available through the relationships between the Company and the Investors.

Conditions of the Subscriptions

The obligations of the Investors to subscribe and pay for, and the obligations of the Company to issue, the Subscription Shares to the Investors are subject to the fulfilment or waiver (as the case may be) of the following conditions precedent:

- (1) **Approvals:** all necessary approvals for the Subscriptions required under the articles of association of the Company, applicable laws (including the Takeovers Code) and the Listing Rules having been obtained, including:
- (i) the passing by the requisite majority of Shareholders or Independent Shareholders (as appropriate) in the EGM of all resolutions required under relevant laws and regulations, including pursuant to the Listing Rules and the Takeovers Code, in respect of, among other things, the specific mandates for the allotment and issue of the Subscription Shares, the Whitewash Waiver and the election of the Investors' nominees as executive Directors of the Company, effective upon Closing; and
 - (ii) the granting of the approval for the listing of, and permission to deal in the Subscription Shares by the Listing Committee of the Stock Exchange;
- (2) **US License:** the US Licensed Corporation:
- (i) being a member in good standing of FINRA and any capital deficiency shall have been addressed to the satisfaction of FINRA with evidence thereof provided to the Investors; and
 - (ii) having obtained approval of FINRA for indirect change in the ownership of the US Licensed Corporation as a result of the Subscriptions;

- (3) **Material Employees:** the Material Employees entering into new employment contracts or renewing their existing employment contracts with the members of the Group, in each case with terms and conditions reasonably satisfactory to the Investors;
- (4) **Resignations:** all current executive Directors as of the date of the Subscription Agreements (except for Mr. Ko and Mr. Brett McGonegal) having resigned from their positions as Directors with effect from Closing;
- (5) **Due Diligence:** the Investors having completed its due diligence of the Group to its satisfaction within 40 days from the date of the Subscription Agreements;
- (6) **Compliance:**
- (i) the representations and warranties of the Company in the Subscription Agreements continuing to be true, accurate and correct in all material respects as of the Closing Date; and
 - (ii) the Company having performed all of its obligations and undertakings under the Subscription Agreements to be performed on or before such date;
- (7) **Material Adverse Effect:** no Material Adverse Effect on members of the Group having occurred since the date of the Subscription Agreements;
- (8) **Licenses and Approvals:** the Company delivering to the Investors a confirmation made by the Board including all independent non-executive Directors after due and careful enquiry of the following statement:
- “After due and careful enquiry, we hereby confirm that no fact or circumstance exists which would or might reasonably be expected to result in any Licenses and Approvals being revoked, suspended, cancelled, varied or not renewed and no fact or circumstance exists which would or might reasonably be expected to cause any condition of any Licenses and Approvals being breached or violated.”*
- (9) **Whitewash Waiver:** the Executive granting the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn;
- (10) **Investors’ Warranties:** the representations and warranties of the Investors in the Subscription Agreements continuing to be true, accurate and correct in all material respects as of the Closing Date; and

(11) SFC Approval: in respect of the YFHL Subscription, Jade Passion, YFHL and such other person(s) or entity(ies) which will be regarded as substantial shareholder(s) (as such term is defined under Schedule 1 to the SFO) of each of the HK Licensed Corporations under Section 132 of the SFO as a result of the YFHL Subscription having been approved by the SFC to become, or continue to be, a substantial shareholder (as such term is defined under Schedule 1 to the SFO) of each of the HK Licensed Corporations under Section 132 of the SFO.

The Investors may at any time by notice in writing to the other parties waive any of the conditions set out in paragraphs (2)(i), (3) – (8) above. The Company may at any time by notice in writing to the other parties waive the conditions set out in paragraphs (10) above. The conditions set out in (1), (2)(ii), (9) and (11) are not waivable by the Company or the Investors. Furthermore, the Other Investors' Subscriptions are subject to the concurrent Closing of the YFHL Subscription. Hence, among other things, if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the EGM, the Subscriptions will not proceed.

Closing of Subscriptions

Closing will take place on the seventh Business Day following the Unconditional Date, or on such other date as the parties to each Subscription Agreement may agree. If the Closing Conditions have not been satisfied or waived on or before the Longstop Date, the Investors may either (i) terminate the Subscription Agreements with immediate effect, by written notice to the other parties five Business Days after the Longstop Date; or (ii) at any time up to five Business Days prior to the Longstop Date, the parties can mutually agree to extend the Longstop Date to such later date as the parties may determine (such date being not more than 90 days after the Longstop Date) (the “**Extended Longstop Date**”). If the Closing Conditions have not been satisfied or waived by such Extended Longstop Date, then the Subscription Agreements (other than certain provisions designated as surviving provisions) shall automatically terminate. In the event of termination of the Subscription Agreements, the parties shall be released and discharged from their respective obligations under the Subscription Agreements (without prejudice to the rights and/or obligations of any party in respect of any antecedent breach).

YFHL's Lock-up Undertakings

YFHL undertakes to and covenants with the Company that, unless with the prior written consent of the Company and Mr. Ko, it will not and it will procure its Affiliates not to, during the period commencing from Closing Date and ending on the expiry of 18 months from the Closing Date, directly or indirectly, including by or through its Affiliates:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (i) the YFHL Subscription Shares or (ii) any Shares deriving from the YFHL Subscription Shares as a result of share consolidation, subdivision or bonus issue ((i) and (ii) are collectively referred to as the “**Lock-up Shares**”); or

- (b) enter into a swap or other arrangement that would have the effect of transferring to another party any of the economic benefits of ownership of the Lock-up Shares, for the purpose of hedging its or any of its Affiliate's economic or beneficial ownership in, or holdings of, the Lock-up Shares.

Mr. Ko's Deed of Undertaking

Pursuant to the Deed of Undertaking, Mr. Ko has undertaken to and covenanted with each of the Investors that, without the prior consent of the Investors, he shall not, and he shall procure his Affiliates not to, during the period commencing on the date of the Deed of Undertaking and ending on the expiry of 18 months from the Closing Date, directly or indirectly, including by or through his Affiliates:

- (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, whether directly or indirectly, the Mr. Ko Shares; or
- (ii) enter into a swap or other arrangement that would have (i) the same economic consequences as subparagraph (a) above (including any arrangement of the nature set out in subparagraph (a) above in respect of the shares held by Mr. Ko in Insula Holdings Limited or the shares held by Insula Holdings Limited in Gainhigh Holdings Limited) or (ii) the effect of transferring to another party any of the economic benefits of ownership of the Mr. Ko Shares, for the purpose of hedging his or any of his Affiliate's economic or beneficial ownership in, or holdings of, the Mr. Ko Shares.

Effect on shareholding structure of the Company

As at the date of this announcement, the relevant securities of the Company comprise (i) 455,808,602 issued and fully-paid up ordinary Shares and (ii) 1,007,792 outstanding share options granted under the share option scheme of the Company approved by a general meeting on 21 July 2011. The Company has no other outstanding securities convertible or exchangeable into Shares. The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately following Closing (assuming there is no change in the issued share capital of

the Company other than the issue of the Subscription Shares since the date of the Subscription Agreements and up to Closing):

Existing Shareholders	Name of Subscribers	Existing number of issued Shares	Existing % Shareholding	Number of new Subscription Shares	As a % of existing issued number of Shares	Enlarged issued number of Shares on Closing	As a % of enlarged issued number of Shares
Gainhigh Holdings Limited	—	229,180,726	50.28%	—	—	229,180,726	9.56%
—	Concert Group	—	—	1,342,976,000	294.64%	1,342,976,000	56.00%
Public							
—	Gentle Bright	—	—	167,872,000	36.83%	167,872,000	7.00%
—	Violet Passion	—	—	167,872,000	36.83%	167,872,000	7.00%
—	Harbour Yields	—	—	155,882,000	34.20%	155,882,000	6.50%
—	Chosen Global	—	—	107,918,000	23.68%	107,918,000	4.50%
Frontier Services Group Limited	—	17,805,178	3.91%	—	—	17,805,178	0.74%
Shaw David Elliot	—	35,000,000	7.68%	—	—	35,000,000	1.46%
Other public Shareholders	—	173,822,698	38.13%	—	—	173,822,698	7.24%

Resignation of the Directors

Pursuant to the Subscription Agreements, each of the current executive Directors (except for Mr. Ko and Mr. Brett McGonegal), being Mr. Chen Shengjie, Ms. Ko Wing Yan, Samantha and Mr. Tsoi Tong Hoo, Tony, shall resign as a Director with effect from Closing. It is envisaged that six new Directors (including the chairman of the Board and one independent non-executive director) nominated by YFHL shall be appointed to the Board with effect from Closing if so elected in accordance with the Company's articles of association. Further announcement(s) will be made by the Company in this regard as and when appropriate. Details of the proposed changes to the composition of the Board and information regarding the proposed Directors will also be contained in the Circular.

Information on the Group

The principal activity of the Group is investment holding. The principal activities of the Subsidiaries of the Group are securities broking, placing and underwriting, provision of consultancy and advisory services and investment holding.

Information on the Investors

YFHL is a company incorporated in the Cayman Islands with limited liability. Its primary business is investment holding. YFHL is owned as to 60% by Mr. Yu Feng and 40% by Mr. Ma Yun.

Jade Passion is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. Jade Passion is owned as to 73.21% by Key Imagination and 26.79% by Gold Ocean. It was established for the purpose of holding the YFHL Subscription Shares.

Key Imagination is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. Key Imagination is owned as to 68% by YFHL, as to 19% by Perfect Merit Limited (a company incorporated in the British Virgin Islands and wholly-owned by Mr. Huang Xin), as to 2.03% by each of Union Sky Holding Group Limited (a company incorporated in the British Virgin Islands and wholly-owned by Mr. Shi Yuzhu) and Deep Prime Limited (a company incorporated in the British Virgin Islands and wholly-owned by Ms. Liu Guangxia) and as to 8.94% by Basic Core Holdings Limited (a company incorporated in the British Virgin Islands and wholly-owned by Mr. Wu Nanbin).

Gold Ocean is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. Gold Ocean is wholly-owned by Asia Newpower Group Inc. which is in turn wholly-owned by Mr. Huang Youlong.

Harbour Yields is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. It is wholly-owned by Alpha Estate Holdings Limited, which is in turn wholly-owned by Ms. Sun Dan.

Violet Passion is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. It is wholly-owned by Clear Expert Limited, which is in turn wholly-owned by Ms. Lian Yi.

Gentle Bright is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. It is wholly-owned by Ms. Lu Yongqing.

Chosen Global is a company incorporated in the British Virgin Islands with limited liability. Its primary business is investment holding. It is wholly-owned by Eagle Mission Investments Limited, which is in turn wholly-owned by Ms. Fan Yufang.

There are no personal or business relationships between the Concert Group and each of the Other Investors and their respective beneficial owners. None of the members of the Concert Group is a party acting in concert with any of the Other Investors. None of the Investors has entered into or intend to enter into any agreement or arrangement (either explicit or implicit) or understanding (whether formal or informal) with any of the other Investors in connection with the Subscriptions and/or the voting rights of the Company, save for the fact that (i) the Other Investors' Subscriptions are subject to the Closing of the YFHL Subscription; (ii) YFHL shall take the lead in the due diligence of the Group; and (iii) the voting rights in respect of the YFHL Subscription Shares shall be exercised by Jade Passion as the legal and beneficial owner of such Shares and no other members of the Concert Group shall individually have any voting right in respect of the YFHL Subscription Shares.

As at the date of this announcement, save for the YFHL Subscription, (i) the Concert Group does not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any outstanding derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (ii) the Concert Group has not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Concert Group, which might be material to the YFHL Subscription and the Whitewash Waiver, with any other persons; (iv) there is no agreement or arrangement to which any member of the Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the YFHL Subscription and the Whitewash Waiver; and (v) none of the members of the Concert Group has received any irrevocable commitment to vote for or against the YFHL Subscription or the Whitewash Waiver.

Except for the entering into of the YFHL Subscription Agreement, none of the members of the Concert Group, has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of the YFHL Subscription Agreement.

Future intention of YFHL regarding the Group

Following the Closing, YFHL intends to undertake a detailed strategic review on the Group for the purpose of formulating business plans and strategies for the future business development of the Group and determining what changes, if any, would be appropriate or desirable in order to optimise and rationalise the business activities and assets portfolio (in particular, the financial assets) of the Group. Depending on the results of the strategic review and if and when appropriate investment opportunities arise, it is possible that the Group may acquire certain relevant assets or businesses such as internet financial business in order to enhance its financial results. It is also possible that adjustments may need to be made to the staffing requirements of the Group's businesses. In particular, as provided in the Subscription Agreements, Mr. Ko and the Investors will identify the Material Employees who will either enter into new employment contracts or renew their existing employment contracts with members of the Group, as a condition precedent to Closing. Save as aforesaid, it is the current intention of YFHL for the Group to continue with its existing licensed businesses in the manner in which it is presently conducted. As at the date of this announcement, YFHL has not formulated definitive proposals, terms or timetable for any possible future acquisitions and no agreements for any possible future acquisitions have been entered into. The Company will comply with all applicable requirements of the Listing Rules and/or the Takeovers Code as and when appropriate.

As mentioned in the section headed "Resignation of the Directors" above, it is envisaged that six new Directors nominated by YFHL shall be appointed to the Board with effect from Closing if so elected in accordance with the Company's articles of association. YFHL is considering suitable

candidates and information regarding the proposed Directors as nominated by YFHL will be announced in due course.

Reasons for and benefits of the Subscriptions

The Directors have considered the financial position of the Company, current market conditions and outlook for the Group's financial services businesses, and the potential strengthening of the Company's financial position and future business opportunities that may result from the Subscriptions.

The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver) consider that the terms of the YFHL Subscription, the Other Investors' Subscriptions are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds from the Subscriptions would amount to HK\$3,885,040,000. The net proceeds are intended to be utilized by the Company to support the development of the existing businesses of the Group and as general working capital.

FUND RAISING EXERCISE FOR THE PAST 12 MONTHS

As disclosed by the Company in its announcement dated 26 June 2014, the Company issued and allotted 17,021,277 ordinary shares at HK\$2.35 per share via a placing conducted under the terms of, on the one hand, a placing agreement between Gainhigh Holdings Limited, the controlling shareholder of the Company at the time, and Reorient Capital Markets Limited, and, on the other hand, a subscription agreement between Gainhigh Holdings Limited and the Company raising net proceeds of approximately HK\$39.8 million. Save as disclosed above, the Company did not undertake any equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

APPLICATION FOR THE WHITEWASH WAIVER

Immediately after Closing, the Concert Group, being YFHL, Jade Passion and their parties acting in concert, will in aggregate be interested in 294.64% of the issued share capital of the Company as at the date of this announcement and approximately 56.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares).

Under Rule 26.1 of the Takeovers Code, Jade Passion would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, Jade Passion will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the YFHL Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of a poll. Closing of the YFHL Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by Independent Shareholders.

If the Whitewash Waiver is approved by the Independent Shareholders, the aggregate shareholding of the Concert Group in the Company will exceed 50%. Any member of the Concert Group may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

A circular containing, among other things, details of the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the YFHL Subscription, the Other Investors' Subscriptions and the Whitewash Waiver and the notice of the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The voting in relation to the YFHL Subscription, each of the Other Investors' Subscriptions and the Whitewash Waiver at the EGM will be conducted by way of a poll. As regards the Subscription Agreements and the issue of the Subscription Shares, Shareholders other than Gainhigh Holdings Limited and other Shareholders who have a material interest in the YFHL Subscription and the Other Investors' Subscriptions (if any) shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Subscription Agreements and the issue of the Subscription Shares. As regards the Whitewash Waiver, Shareholders other than Gainhigh Holdings Limited, Concert Group, the Other Investors and their respective associates and other Shareholders who are interested or involved in the YFHL Subscription and the Other Investors' Subscriptions and the Whitewash Waiver (if any) shall abstain from voting on the relevant ordinary resolution to be proposed at the EGM to approve the Whitewash Waiver. As Mr. Ko is interested and involved in the Subscriptions, Gainhigh Holdings Limited shall abstain from voting at the EGM to approve the YFHL Subscription, each of the Other Investors' Subscriptions and the Whitewash Waiver.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 21 April 2015. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 1 June 2015.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code and for the purposes of this announcement include parties actually or presumed to be acting in concert (unless rebutted) to obtain or consolidate control of the Company
“Affiliate”	means any other person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified person
“associate(s)”	has the same meaning as ascribed to it under the Takeovers Code, unless the contexts otherwise specify
“Board”	the board of Directors
“Business Day”	day (other than a Saturday or Sunday or public holiday and any other day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in the city in which the specified office of the registrar is located and in Hong Kong and the PRC
“Chosen Global”	Chosen Global Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Closing”	the completion of the Subscriptions
“Closing Conditions”	the conditions precedent set out under the section headed “Conditions of the Subscriptions” of this announcement
“Closing Date”	the date of Closing, which shall be the seventh Business Day after the Unconditional Date, or on such other date as the parties may agree
“Company”	Reorient Group Limited, a company incorporated in Hong Kong, the issued shares of which are listed on Main Board of the Stock Exchange

“Concert Group”	YFHL, Jade Passion and their respective parties acting in concert
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Control”	means in relation to an undertaking: <ul style="list-style-type: none"> (a) the power to direct the exercise of a majority of the voting rights capable of being exercised at a general meeting of that undertaking; (b) the right to appoint or remove a majority of the board of directors (or corresponding officers) of that undertaking; or (c) the right to exercise a dominant influence over that undertaking by virtue of provisions contained in its constitutional documents or under a control contract or otherwise. <p>In each case either directly or indirectly and “Controlled” and “Controlling” shall be construed accordingly</p>
“Deed of Undertaking”	the deed of undertaking executed by Mr. Ko dated 7 May 2015 pursuant to which certain representations, warranties, indemnities, covenants and assurances were provided to the Investors
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the YFHL Subscription, the Other Investors’ Subscriptions and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Extended Longstop Date”	has the meaning given to it in the section headed “Closing of Subscription” of this announcement
“FINRA”	the Financial Industry Regulatory Authority, Inc., an independent regulator for all securities firms doing business in the United States of America
“Gentle Bright”	Gentle Bright Ltd., a company incorporated under the laws of British Virgin Islands with limited liability
“Gold Ocean”	Gold Ocean Investments Group Inc., a company incorporated under the laws of British Virgin Islands with limited liability

“Group”	the Company and its Subsidiaries from time to time
“Harbour Yields”	Harbour Yields Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Licensed Corporations”	Reorient Financial Markets Limited (瑞東金融市場有限公司) and Reorient Capital Markets Limited (瑞東資本市場有限公司), each of which is a Subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board established by the Board, comprising all the non-executive Directors, namely Mr. Dorian M. Barak, Mr. Liu Zhengui, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP to advise the Independent Shareholders in respect of the YFHL Subscription, the Other Investors’ Subscriptions and the Whitewash Waiver
“Independent Shareholders”	(i) as regards the Subscription Agreements and the issue of the Subscription Shares, Shareholders other than those who have a material interest in the YFHL Subscription and the Other Investors’ Subscriptions; or (ii) as regards the Whitewash Waiver, Shareholders other than the Concert Group, the Other Investors and their respective associates and other Shareholders who are interested or involved in the YFHL Subscription and the Other Investors’ Subscriptions and the Whitewash Waiver
“Investors”	YFHL and the Other Investors
“Jade Passion”	Jade Passion Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Key Imagination”	Key Imagination Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Last Trading Day”	20 April 2015, being the last Trading Day of the Shares immediately prior to the date of this announcement on which trading in Shares was halted at 9:00 a.m. on 21 April 2015

“Licenses and Approvals”	<p>means all certificates, authorisations, licenses, orders, consents, approvals and permits possessed by each member of the Group issued by all appropriate national, state, local and other governmental agencies and regulatory bodies, all exchanges and all courts and other tribunals, domestic and foreign, necessary to own or lease, as the case may be, and to construct, develop and operate its assets and to conduct the business now operated by the relevant member of the Group and the licenses and registrations as described below:</p> <ul style="list-style-type: none"> (a) Reorient Capital Markets Limited is licensed by the SFC or under the SFO to carry on type 1 of regulated activities as specified in the SFO and is an Exchange Participant of the Stock Exchange; (b) Reorient Financial Markets Limited is licensed by the SFC or under the SFO to carry on type 1, type 4, type 6 and type 9 of regulated activities as specified in the SFO and is an Exchange Participant of the Stock Exchange; (c) Reorient Finance Limited is registered as a money lender under the Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong); and (d) the US Licensed Corporation is registered as a broker or dealer pursuant to section 15(b) of the Exchange Act with FINRA’s Central Registration Depository System
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longstop Date”	31 October 2015
“Material Adverse Effect”	<p>means any event, circumstance or effect or any combination of them which is, or which could reasonably be expected to be, materially adverse to (i) the business, operations, business results or financial condition of the Group taken as a whole or to (ii) the ability of the Company to perform its obligations under the Subscription Agreements or to complete the Subscriptions, excluding in any such case, any event, circumstance or effect resulting from the following or any combination of the following:</p> <ul style="list-style-type: none"> (a) performance of obligations under, or compliance with, the terms and conditions of the Subscription Agreements; or

(b) pandemics, earthquakes, hurricanes, tornadoes or other natural disasters, or fire, war, riot, terrorism or similar force majeure events, provided that any such events do not disproportionately and substantially affect the Group in any material respect;

“Material Employees”	means material employees of the members of the Group to be agreed between Mr. Ko and the Investors in good faith within 40 days from the date of the Subscription Agreements
“Mr. Ko”	Mr. Ko Chun Shun, Johnson
“Mr. Ko Shares”	229,180,726 Shares held by Gainhigh Holdings Limited which is owned as to 75.77% by Insula Holdings Limited, a company wholly-owned by Mr. Ko, and owned as to 24.23% by China Chengtong Hong Kong Company Limited, a limited liability company incorporated in Hong Kong which is in turned owned by China Chengtong Holdings Group Limited.
“Other Investors”	Harbour Yields, Violet Passion, Gentle Bright and Chosen Global
“Other Investors’ Subscriptions”	the subscription of an aggregate of 599,544,000 Shares by the Other Investors
“PRC” or “China”	The People’s Republic of China
“SFC”	the Securities and Futures Commission
“SFO”	the Hong Kong Securities and Futures Ordinance
“Share(s)”	the ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Investors”	YFHL and the Other Investors
“Subscriptions”	the subscription of the Subscription Shares under the Subscription Agreements
“Subscription Agreements”	the YFHL Subscription Agreement and the four conditional subscription agreements entered by the Company with each of Harbour Yields, Violet Passion, Gentle Bright and Chosen Global in respect of the Subscriptions dated 7 May 2015

“Subscription Price”	HK\$2.00 per Subscription Share
“Subscription Shares”	1,942,520,000 new Shares, in aggregate, to be subscribed by the Investors, and each a Subscription Share
“Subsidiaries”	includes, in relation to any person: (i) any company or business entity of which that person owns or controls (either directly or through one or more other subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect the directors, managers or trustees of such company or business entity; (ii) any company or business entity of which that person owns or controls (either directly or through one or more other subsidiaries) not more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity but effectively controls (either directly or through one or more other subsidiaries) the management of the direction of business operations of such company or business entity; and (iii) any company or business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong law or any other applicable law regulations or the Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants from time to time or such other applicably generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the SFC as amended from time to time
“Trading Day”	a day on which the Shares are traded on the Stock Exchange
“Unconditional Date”	the date on which all the Closing Conditions have been satisfied (or waived in accordance with the Subscription Agreements)
“US Licensed Corporation”	means Reorient Financial Markets (USA) LLC, which is a Subsidiary of the Company
“Violet Passion”	Violet Passion Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability

“Whitewash Waiver”	means a waiver from the Executive pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Jade Passion to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Concert Group which would, if the YFHL Subscription proceeds, otherwise arise as a result of the issue of the YFHL Subscription Shares to Jade Passion upon Closing
“YFHL”	YFHL Financial Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability
“YFHL Subscription”	the subscription of the YFHL Subscription Shares under the YFHL Subscription Agreement
“YFHL Subscription Agreement”	the conditional subscription agreement entered by the Company with YFHL in respect of the YFHL Subscription dated 7 May 2015
“YFHL Subscription Shares”	1,342,976,000 new Shares to be subscribed by YFHL under the YFHL Subscription Agreement

By Order of the Board
REORIENT GROUP LIMITED
Ko Chun Shun, Johnson
Chairman

Hong Kong, 29 May 2015

As at the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson, Mr. Brett McGonegal, Mr. Chen Shengjie, Ms. Ko Wing Yan, Samantha and Mr. Tsoi Tong Hoo, Tony (who are executive directors), Mr. Dorian M. Barak (who is a non-executive director), and Mr. Liu Zhengui, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP (who are independent non-executive directors).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Investors, Jade Passion and Gold Ocean) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Investors, Jade Passion and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of YFHL is Mr. Yu Feng.

The sole director of YFHL accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, the Other Investors and Gold Ocean) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, the Other Investors and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of Jade Passion are Mr. Yu Feng, Mr. Huang Xin and Mr. Huang Youlong.

The directors of Jade Passion accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, the Other Investors and Gold Ocean) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, the Other Investors and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Harbour Yields is Ms. Sun Dan.

The sole director of Harbour Yields accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, YFHL, Jade Passion, Violet Passion, Gentle Bright, Chosen Global and Gold Ocean) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, YFHL, Jade Passion, Violet Passion, Gentle Bright, Chosen Global and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Violet Passion is Ms. Lian Yi.

The sole director of Violet Passion accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, YFHL, Jade Passion, Harbour Yields, Gentle Bright, Chosen Global and Gold Ocean) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, YFHL, Jade Passion, Harbour Yields, Gentle Bright, Chosen Global and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Gentle Bright is Ms. Lu Yongqing.

The sole director of Gentle Bright accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Chosen Global and Gold Ocean) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Chosen Global and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Chosen Global is Ms. Fan Yufang.

The sole director of Chosen Global accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Gentle Bright and Gold Ocean) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Gentle Bright and Gold Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Gold Ocean is Mr. Huang Youlong.

The sole director of Gold Ocean accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Gentle Bright and Chosen Global) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors, the Company, YFHL, Jade Passion, Harbour Yields, Violet Passion, Gentle Bright and Chosen Global) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.