

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



REORIENT GROUP LIMITED
瑞東集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

**PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES
BY THE CONTROLLING SHAREHOLDER**

On 26 June 2014 (after trading hours), Gainhigh and the Placing Agent entered into the Placing Agreement, pursuant to which, the Placing Agent has agreed to place, on a best endeavors basis, up to 17,021,277 existing Shares, representing approximately 3.96% of the issued share capital of the Company as at the date of this announcement, at the Placing Price of HK\$2.35 per Share. On the same day, Gainhigh and the Company has entered into the Subscription Agreement, pursuant to which, Gainhigh has conditionally agreed to subscribe for new Shares in an amount equal to the Placing Shares actually placed under the Placing, at the Subscription Price of HK\$2.35 per Share. The Subscription Shares are expected to represent approximately 3.96% of the existing issued share capital of the Company and approximately 3.81% of the then issued share capital of the Company as enlarged by the Subscription.

The Placing is unconditional. Completion of the Subscription is conditional upon completion of the Placing and the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares will be issued under the general mandate which was granted to the Directors by the Shareholders at the Company's annual general meeting held on 28 April 2014.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

THE PLACING AGREEMENT

Date

26 June 2014

Parties

Gainhigh and the Placing Agent.

Gainhigh

Gainhigh holds 239,591,640 Shares representing approximately 55.81% of the issued share capital of the Company as at the date of this announcement.

Gainhigh is the controlling shareholder of the Company, and is beneficially owned as to 79.5% equity interest by Mr. Ko, who is the Chairman and an executive Director of the Company.

Placing Agent and Placees

Gainhigh has appointed the Placing Agent with respect to the Placing on the terms of the Placing Agreement. The Placing Agent has agreed to place, on best endeavors, the Placing Shares to not less than six professional, institutional and other investors selected and procured by the Placing Agent, who and whose beneficial owners will, to the best of the Directors' knowledge, information and belief, be third parties independent of Gainhigh, the Company and their respective associates and connected persons.

Number of Placing Shares

Up to 17,021,277 Shares, representing approximately 3.96% of the existing issued share capital of the Company, and approximately 3.81% of the issued share capital of the Company as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$2.35 represents:

- (i) a discount of approximately 8.91% to the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a discount of approximately 9.62% to the average closing price per Share of approximately HK\$2.60 for the last five trading days up to and including 26 June 2014.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between Gainhigh and the Placing Agent.

Rights and Ranking of the Placing Shares

The Placing Shares will be sold free of all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching to them at Completion. The Placing Shares rank pari passu among themselves and with Shares in issue as at the date of this announcement.

Condition of the Placing

The Placing is unconditional.

Completion of the Placing

Completion of the Placing is expected to take place within two trading days after the date on which the Placing Shares have been placed to the Investors procured by the Placing Agent.

THE SUBSCRIPTION AGREEMENT

Date

26 June 2014

Subscriber

Gainhigh.

Subscription

Gainhigh has conditionally agreed to subscribe for the Subscription Shares equivalent in number to the Placing Shares.

Number of Subscription Shares

Such number of new Shares equal to the number of Placing Shares actually placed under the Placing. Assuming up to 17,021,277 Placing Shares are placed under the Placing Agreement, the Subscription Shares represent approximately 3.96% of the existing issued share capital of the Company, and approximately 3.81% of the then issued share capital of the Company as enlarged by the Subscription.

Subscription Price

HK\$2.35 per Subscription Share

Ranking

The Subscription Shares, when fully paid for and issued, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of allotment of the Subscription Shares pursuant to the Subscription Agreement.

Mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 28 April 2014, pursuant to which the Directors were authorised to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing of the resolution approving the said general mandate (i.e. 85,859,941 Shares). As of the date of this announcement, save for the proposed issue of the Subscription Shares pursuant to the Subscription Agreement, the general mandate had not been utilised.

Conditions of the Subscription

The Subscription is conditional upon:

- (i) The Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Subscription Agreement); and
- (ii) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

Completion of the Subscription

Under Rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 10 July 2014.

Gainhigh is a substantial shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. The Subscription is expected to be completed within 14 days from the date of the Placing Agreement and will be exempt from the connected transaction requirements in accordance with Rule 14A.31(3)(d) of the Listing Rules. If the Subscription is not completed within 14 days from the date of Placing Agreement, the Company will then seek approval from its Independent Shareholders in respect of the Subscription Agreement in accordance with the applicable requirements under Chapter 14A of the Listing Rules.

Cost and Expenses

Under the Subscription Agreement, the Company has agreed to reimburse Gainhigh, on completion of the Subscription, for all the costs and expenses properly incurred by Gainhigh in connection with the Placing (including without limitation the fees and commission payable to the Placing Agent under the Placing Agreement and other costs and fees) and the Subscription after deducting, if applicable, any interest accrued and received by the Gainhigh on the net proceeds of the Placing during the period between completion of the Placing and completion of the Subscription.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECT OF THE PLACING AND SUBSCRIPTION

The following table sets out the shareholding structure of the Company as at the date of this announcement and the shareholding structures of the Company after completion of the Placing and after the completion of the Subscription (assuming all the Placing Shares are placed under the Placing Agreement and there are no other changes to the issued share capital of the Company):

	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Subscription	
	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>
Gainhigh	239,591,640	55.81	222,570,363	51.85	239,591,640	53.69
Placees	—	—	17,021,277	3.96	17,021,277	3.81
Other existing public Shareholders	<u>189,708,066</u>	<u>44.19</u>	<u>189,708,066</u>	<u>44.19</u>	<u>189,708,066</u>	<u>42.50</u>
	<u><u>429,299,706</u></u>	<u><u>100</u></u>	<u><u>429,299,706</u></u>	<u><u>100</u></u>	<u><u>446,320,983</u></u>	<u><u>100</u></u>

Notes:

1. The entire issued share capital of Gainhigh is beneficially 79.5% owned by Mr. Ko.
2. The placees are individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners are Independent Third Parties (as defined under the Listing Rules). Upon Placing Completion, the other placees are considered as public Shareholders.

The gross proceeds of the Subscription will be approximately HK\$40 million. The net proceeds from the Subscription, after the deduction of the placing fees, brokerage commissions and other related expenses of the Placing will be approximately HK\$39.8 million (representing a net placing price of HK\$2.34 per share).

The Group is principally engaged in the provision of financial services — currently comprising securities broking, share placing and underwriting, corporate finance, consulting and related services. The net proceeds will be applied for general funding purposes. The Directors believe the Company will benefit from this transaction on account of the ability to further the Group's expansion plans, broadened investor base, and further financial resources to support the development of its core businesses including brokerage, corporate finance, and direct investments. The Directors believe the terms of the Placing and the Subscription Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE 12 MONTHS IMMEDIATELY PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company has not raised any funds by way of issue of equity securities in the past twelve months immediately prior to the date of this announcement.

The Placing Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, and falls within the de minimis threshold under Chapter 14A of the Listing Rules and therefore exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Under the Placing Agreement, the Placing Agent (being a member of the Group and wholly-owned subsidiary of the Company) agreed to provide services to Gainhigh (being an associate of Mr. Ko) in connection with the Placing, and Gainhigh, among other things, agreed to pay a placing fee and commission equal to 1.0% of the gross proceeds from the Placing totaling approximately HK\$100,000. The Company will reimburse Gainhigh all expenses (including any placing fees, brokerage and related expenses) that it incurs in connection with the Placing if the Subscription completes.

The terms of the Placing Agreement have been negotiated between Gainhigh and the Placing Agent on an arm's length basis and are on normal commercial terms for similar transactions and services.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Reorient Group Limited, a company incorporated in Hong Kong with limited liability whose issued Shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Gainhigh” or “Subscriber”	Gainhigh Holdings Limited, the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	the shareholder(s) of the Company other than Gainhigh and its associates and any Shareholders who have material interest in the Subscription
“Independent Third Party(ies)”	a party which is not a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Investors”	any individual(s), corporate and/or institutional investor(s) or any of their respective subsidiaries or associates identified by Gainhigh to subscribe for any of the Placing Shares
“Last Trading Date”	26 June 2014, being the last trading day for the Shares prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ko”	Mr. Ko Chun Shun, Johnson, who is the chairman of the Company and an executive Director, owns 79.5% beneficial interest in Gainhigh, the controlling shareholder of the Company
“Placing”	the placing of the Placing Shares owned by Gainhigh

“Placing Agent”	Reorient Capital Markets Limited, a licensed corporation to carry out type 1 regulated activity (dealing in securities), under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between Gainhigh and the Placing Agent in relation to the Placing
“Placing Price”	HK\$2.35 per Placing Share
“Placing Share(s)”	up to 17,021,277 Shares placed by Gainhigh under the Placing
“Share(s)”	One ordinary share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Subscriber and the Company on 26 June 2014 in relation to the Subscription for the Subscription Shares by the Subscriber
“Subscription Shares”	up to 17,021,277 Shares for which the Subscriber has conditionally agreed to subscribe pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of
REORIENT GROUP LIMITED
Mr. Ko Chun Shun, Johnson
Chairman

Hong Kong, 26 June 2014

As at the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson, Mr. Jason Boyer, 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. Ding Kebai, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP (who are independent non-executive directors).