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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

On 29 February 2012, the High Court of Hong Kong handed down its judgment in the legal action brought by Cantor Fitzgerald against Jason Boyer, Bradford Ainslie, Brett McGonegal and Uwe Henke von Parpart in relation to the latter persons' resignation from Cantor Fitzgerald to join the REORIENT Group. Mr Boyer is vice chairman of REORIENT Financial Markets, Mr McGonegal is chief executive officer of REORIENT Financial Markets, Mr Ainslie is head of global markets of REORIENT Financial Markets and Mr von Parpart is head of research of REORIENT Financial Markets.

The High Court ruled that Mr Boyer and Mr McGonegal "essentially prevailed" against Cantor Fitzgerald in the legal action. Cantor Fitzgerald's claims against Mr Ainslie and Mr von Parpart were dismissed in their entirety.

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The High Court dismissed Cantor Fitzgerald's claims that Messrs Boyer, McGonegal, Ainslie and von Parpart breached their fiduciary and/or other duties to Cantor Fitzgerald. Mr Justice Reyes stated "I find that Cantor Fitzgerald has failed to make out its alleged breaches of a duty of fidelity or of fiduciary duty or of a fiduciary obligation on the parts of the Defendants". Mr Justice Reyes further stated: "There is not a shred of evidence suggesting that, whether individually or collectively, they had any intention to injure Cantor HK".

Cantor Fitzgerald's claims in respect of the restrictive covenants in the employment contracts of Messrs Boyer, McGonegal and Ainslie were dismissed by the High Court. The High Court also stated that the duration of the restriction in Mr von Parpart's employment contract must "be regarded as too wide". Cantor Fitzgerald's claims of wrongful termination of employment contracts were also dismissed by the High Court.

The High Court further found that Cantor Fitzgerald "was not entitled to pay some commissions to Mr McGonegal in the form of grant units". Mr McGonegal had consented to receive two earlier commissions in the form of grant units pursuant to two "Award Agreements" but had not consented to receive any subsequent commissions in the form of grant units.

The High Court made the following principal orders:

- (1) Mr Boyer to pay Cantor Fitzgerald the following sums:
 - (a) US\$400,000 representing payment in lieu of notice (Mr Boyer had previously tendered such amount to Cantor Fitzgerald which had refused to accept it);
 - (b) US\$425,793.23 representing the outstanding balance due under a loan made to Mr Boyer by Cantor Fitzgerald as part of a bonus incentive scheme;
 - (c) certain cash amounts paid to Mr Boyer on the basis that Cantor Fitzgerald alleged (incorrectly) that Mr Boyer was employed by Cantor Fitzgerald until September 2011 and purported (incorrectly) to extend the restrictive covenants in Mr Boyer's employment contract;
 - (d) Cantor Fitzgerald's other claims against Mr Boyer were dismissed.
- (2) Mr Ainslie to pay HK\$1,170,000 to Cantor Fitzgerald as payment in lieu of notice (Mr Ainslie had previously tendered that amount to Cantor Fitzgerald which had refused to accept it). Cantor Fitzgerald's other claims against Mr Ainslie were dismissed.
- (3) Mr McGonegal to pay HK\$2,447,921.70 to Cantor Fitzgerald as payment in lieu of notice (Mr McGonegal had previously tendered that amount to Cantor Fitzgerald which had refused to accept it). Cantor Fitzgerald's other claims against Mr McGonegal were dismissed.
- (4) Cantor Fitzgerald was ordered to pay Mr McGonegal the amounts (with interest) wrongly deducted from his commission and paid as grant units.
- (5) Cantor Fitzgerald's claims against Mr von Parpart were dismissed in their entirety.

(6) The High Court made the following order in relation to costs:

- “(a) Boyer having essentially prevailed (save on the effect of the [loan made to him as part of a bonus incentive scheme]), the Plaintiffs [Cantor Fitzgerald] are to pay 70% of Boyer’s costs.
- (b) The Plaintiffs [Cantor Fitzgerald] are to pay Ainslie’s costs.
- (c) McGonegal having essentially prevailed (save on the effect of the signing of the 2 Award Agreements), the Plaintiffs [Cantor Fitzgerald] are to pay 90% of McGonegal’s costs (including the costs of his Counterclaim).
- (d) The Plaintiffs [Cantor Fitzgerald] are to pay von Parpart’s costs.”

The REORIENT Group has given indemnities to Messrs Boyer, McGonegal, Ainslie and von Parpart in connection with their employment by the REORIENT Group which covers (amongst other things) the above-mentioned amounts payable by Messrs Boyer, McGonegal and Ainslie to Cantor Fitzgerald.

DEFINITIONS

- “Cantor Fitzgerald” collectively (and individually as the context requires) Cantor Fitzgerald Europe and Cantor Fitzgerald (Hong Kong) Capital Markets Limited
- “REORIENT Financial Markets” REORIENT Financial Markets Limited, a wholly-owned subsidiary of REORIENT Group Limited
- “REORIENT Group” REORIENT Group Limited and its subsidiaries

By order of the Board
Chow Fuk Wai
Company Secretary

Hong Kong, 29 February 2012

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Ko Chun Shun, Johnson, Mr. Zhang Binghua, Mr. Chen Shengjie, Ms. Angelina Kwan, Mr. Tsoi Tong Hoo, Tony and Ms. Ko Wing Yan, Samantha and three independent non-executive directors, namely Mr. Liu Zhengui, Mr. Ding Kebai and Mr. Chu Chung Yue, Howard.