

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.



REORIENT GROUP LIMITED
瑞東集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

**SUBSCRIPTION OF NEW ORDINARY SHARES AND
NEW CONVERTIBLE PREFERRED SHARES OF
CLIMAX INTERNATIONAL COMPANY LIMITED**

This announcement is made by REORIENT Group Limited (the “Company”, and its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Group has been providing financial advisory services to Climax International Company Limited (stock code: 439) (“Climax”). As part of the arrangements regarding the Group’s engagement by Climax, it was agreed that the majority of the Group’s fee would be used to subscribe for shares of Climax. To effect this, the Group, along with a number of other parties, entered into a subscription agreement (“Subscription Agreement”) with Climax, pursuant to which Climax conditionally agreed (amongst other things) to issue to the Group 66,666,666 new ordinary shares fully paid at an issue price of HK\$0.08 per subscription share and 107,333,334 new preferred shares partly paid as to HK\$0.004 per preferred share (representing 5% of the subscription price of HK\$0.08 per preferred share). The cash consideration payable by the Group on completion of the Subscription Agreement of about HK\$5.76 million (comprising HK\$5,333,333 in respect of the 66,666,666 new ordinary shares and HK\$429,333 in respect of the partly paid new preferred shares) shall be netted off against the fee payable by Climax to the Group. Further, the Group shall fully pay up the preferred shares in two tranches. 53,666,667 preferred shares shall be fully paid up within six months of completion of the Subscription Agreement at which time approximately HK\$4.08 million will be payable by the Group to Climax and a further tranche of 53,666,667 preferred shares shall be fully paid up within one year of completion of the Subscription Agreement at which time a further amount of approximately HK\$4.08 million will be paid by the Group to Climax in accordance with the subscription agreement.

Reference is made to the announcement issued by Climax of even date herewith. On 21 August 2014, resolutions were passed at Climax's special general meeting held on 21 August 2014, amongst other things, approving the subscriptions pursuant to the Subscription Agreement. Completion of the Subscription Agreement is expected to take place on 22 August 2014.

The preferred shares shall be non-voting, non-redeemable, and shall be convertible into ordinary shares on a one-for-one basis once they are fully paid.

Should the Group fully pay up all the preferred shares and convert them into ordinary shares of Climax, the Group would (together with the ordinary shares to be issued to the Group on completion of the Subscription Agreement) hold in total 174 million ordinary shares of Climax at a total cost to the Group of HK\$13,920,000. For illustrative purposes only, based on the closing price of HK\$5.80 per ordinary share of Climax as quoted on The Stock Exchange of Hong Kong Limited as at the date of this announcement, the illustrative market value of 174 million ordinary shares of Climax is approximately HK\$1,009,200,000.

The Group expects that its holding in Climax will be accounted for as "Financial assets" in the consolidated statement of financial position of the Group. Any difference between the carrying value of the Group's holding in Climax (plus any amounts payable in respect thereof) and the estimated market value of such holding as at the end of the reporting period will be included in the Group's consolidated income statement.

It is expected that the above will significantly contribute to the Group's earnings for the year ending 31 December 2014. The overall financial results of the Group for the year ending 31 December 2014 will also be affected by other factors, including but not limited to, the Group's performance for the period up to 31 December 2014 and any material changes in the market value of the investments held by the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 August 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).