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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)

**SUPPLEMENTAL ANNOUNCEMENT
VARIATION TO THE TERMS OF MAJOR TRANSACTION
ESTABLISHMENT OF JOINT VENTURE COMPANY**

This announcement is issued pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of the Company dated 4 February 2016 in relation to the Joint Venture Agreement dated 4 February 2016 entered into among Reorient Financial Markets, Giant and Jiangsu Co and the announcements of the Company dated 29 February 2016 and 31 March 2016 in relation to the delay in despatch of circular. Unless otherwise specified, terms defined in the Previous Announcement shall have the same meanings when used in this announcement.

As disclosed in the Previous Announcement, under the Joint Venture Agreement, the parties agreed, among other things, that upon establishment, the JV Company shall have a registered capital of RMB1,000,000,000, which shall be contributed by Reorient Financial Markets, Giant and Jiangsu Co as to RMB430,000,000, RMB300,000,000 and RMB270,000,000, respectively. The JV Company will be held as to 43% by Reorient Financial Markets, 30% by Giant and 27% by Jiangsu Co.

On 12 April 2016, Reorient Financial Markets, Giant and Jiangsu Co entered into a Supplemental Agreement whereby the parties agreed that Giant will novate its rights and obligations as the joint venture partner of the JV Company to Dr. Herbs Electronics. On 13 April 2016, Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co entered into an Amended and Restated Joint Venture Agreement in relation to the establishment of the JV Company. Pursuant to the Amended and Restated Joint Venture Agreement, the registered capital of the JV Company will be increased to RMB3,000,000,000, replacing the original registered capital of RMB1,000,000,000 as set out in the Joint Venture Agreement.

The circular containing, among others, further details of the Amended and Restated Joint Venture Agreement and the transaction contemplated thereunder will be despatched on or before 1 May 2016.

This announcement is issued pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of Reorient Group Limited (the “**Company**”) dated 4 February 2016 (the “**Previous Announcement**”) in relation to the Joint Venture Agreement dated 4 February 2016 entered into among Reorient Financial Markets, Giant and Jiangsu Co and the announcements of the Company dated 29 February 2016 and 31 March 2016 in relation to the delay in despatch of circular. Unless otherwise specified, terms defined in the Previous Announcement shall have the same meanings when used in this announcement.

As disclosed in the Previous Announcement, under the Joint Venture Agreement, the parties agreed, among other things, that upon establishment, the JV Company shall have a registered capital of RMB1,000,000,000, which shall be contributed by Reorient Financial Markets, Giant and Jiangsu Co as to RMB430,000,000, RMB300,000,000 and RMB270,000,000, respectively. The JV Company will be held as to 43% by Reorient Financial Markets, 30% by Giant and 27% by Jiangsu Co.

On 12 April 2016, Reorient Financial Markets, Giant and Jiangsu Co entered into a supplemental agreement (the “**Supplemental Agreement**”) whereby the parties agreed that Giant shall novate its rights and obligations as the joint venture partner of the JV Company to Dr. Herbs Electronics. On 13 April 2016, Reorient Financial Markets, Hangzhou Dr. Herbs Electronic Commerce Company Limited (杭州禾博士電子商務有限公司) (“**Dr. Herbs Electronics**”) and Jiangsu Co entered into an amended and restated joint venture agreement (the “**Amended and Restated Joint Venture Agreement**”) in relation to the establishment of the JV Company.

As a result of entering into the Supplemental Agreement and the Amended and Restated Joint Venture Agreement amongst the parties, as advised by our PRC counsel, (i) the Joint Venture Agreement shall be substituted by the Amended and Restated Joint Venture Agreement; and (ii) Dr. Herbs Electronics shall replace Giant and assume its respective rights and obligations as a joint venture partner under the Amended and Restated Joint Venture Agreement in relation to the establishment of the JV Company.

THE AMENDED AND RESTATED JOINT VENTURE AGREEMENT

The Amended and Restated Joint Venture Agreement contains identical terms and conditions as set out in the Joint Venture Agreement, save for the following variations in relation to the identity of one of the joint venture partners and the registered capital of the JV Company:

Date: 13 April 2016

Parties:

- (1) Reorient Financial Markets;
- (2) Dr. Herbs Electronics; and
- (3) Jiangsu Co.

As at the date of this announcement, Dr. Herbs Electronics was held as to 99.62% by Shanghai Giant Venture Capital Co., Ltd (上海巨人創業投資有限公司) (“**Shanghai Giant Venture**”). Mr. Shi Yuzhu has an effective shareholding of 88.57% in Shanghai Giant Venture through his direct interest and indirect interest (through his controlled corporations) in Shanghai Giant Venture. As at the date of this announcement, Mr. Shi Yuzhu indirectly held 1.5% interest in Jade Passion and had an effective shareholding of 0.84% in the Company. Save as disclosed above, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Dr. Herbs Electronics and its ultimate beneficial owner(s) are third parties independent of the Company and any connected person (as defined in the Listing Rules) of the Company and is not connected person of the Company.

Shareholding Structure and Capital Contribution

Pursuant to the Amended and Restated Joint Venture Agreement, the registered capital of the JV Company will be increased to RMB3,000,000,000, replacing the original registered capital of RMB1,000,000,000 as set out in the Joint Venture Agreement.

As a result of the increase in the registered capital of the JV Company, the registered capital of the JV Company shall be contributed by Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co as to RMB1,290,000,000, RMB900,000,000 and RMB810,000,000, respectively, and the number of shares in the JV Company to be subscribed by Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co shall be 1,290,000,000 shares, 900,000,000 shares and 810,000,000 shares, respectively. As such, the JV Company will be held as to 43% by Reorient Financial Markets, 30% by Dr. Herbs Electronics and 27% by Jiangsu Co. Pursuant to the Amended and Restated Joint Venture Agreement, the Total Investment Amount for the establishment of the JV Company shall remain as RMB3,000,000,000.

Other than the variations as stated above, all other principal terms and conditions of the Joint Venture Agreement as disclosed in the Previous Announcement were repeated and incorporated in the Amended and Restated Joint Venture Agreement. The Directors consider that the terms of the Amended and Restated Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the capital commitment of Reorient Financial Markets under the Amended and Restated Joint Venture Agreement exceed 25% but less than 100%, the establishment of the JV Company pursuant to the Amended and Restated Joint Venture Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders’ approval requirements.

WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Amended and Restated Joint Venture Agreement and the transactions contemplated thereunder; and (ii) written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Amended and Restated Joint Venture Agreement.

So far as the Company is aware, none of the Shareholders is materially interested in the Amended and Restated Joint Venture Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if a general meeting were to be convened to approve the Amended and Restated Joint Venture Agreement. As at the date of this announcement, Jade Passion is interested in 1,342,976,000 shares of the Company (representing approximately 55.97% of the total issued shares of the Company). As the Company has obtained the written approval from Jade Passion on 11 April 2016 in relation to the Amended and Restated Joint Venture Agreement, no extraordinary general meeting of the Company will be convened for the purpose of approving the Amended and Restated Joint Venture Agreement pursuant to Rule 14.44 of the Listing Rules.

INFORMATION ABOUT THE JV PARTNER

Dr. Herbs Electronics is a limited liability company incorporated in Hangzhou, the PRC which is principally engaged in wholesale and retail, e-commerce technology, computer network technology services, computer technology development and external financial and equity investment. Dr. Herbs Electronics is an indirect non-wholly-owned subsidiary of Giant.

Giant is a limited liability company incorporated in the PRC which is principally engaged in business investment, computer network development and service, investment management, asset management, investment consulting, business information consulting, corporate management consulting.

Jiangsu Co is the controlling shareholder of Jiangsu Yuyue Medical Equipment & Supply Co., Ltd. ("Yuyue Medical") and China Resources Wandong Medical Equipment Co., Ltd. ("Wandong Medical").

Yuyue Medical (stock code: 002223) is a company listed on the Shenzhen Stock Exchange. Its mission is to become a highly competitive comprehensive platform products operator and medical services provider, by relying on its full-fledged family care and chronic illness management product lines, consumer information collected over time and extensive clinical expert resources.

Wandong Medical (stock code: 600055) is a company listed on the Shanghai Stock Exchange. It has over 60 years of history in medical imaging sector research, and its mission is to become the leading enterprise in China's medical imaging sector by relying on its long-term accumulated technical standards and extensive good relationships with grassroot hospitals.

DESPATCH OF CIRCULAR

The circular containing, among others, further details of the Amended and Restated Joint Venture Agreement and the transaction contemplated thereunder will be despatched on or before 1 May 2016.

By order of the Board
REORIENT GROUP LIMITED

Li Ting

Executive Director and Chief Executive Officer

Hong Kong, 13 April 2016

As at the date of this announcement, the Board comprises Mr. Yu Feng (who is Chairman and non-executive director), Ms. Li Ting and Mr. Huang Xin (who are executive directors), Mr. Ko Chun Shun, Johnson, Ms. Hai, Olivia Ou and Mr. Huang Youlong (who are non-executive directors), and Mr. Lin Lijun, Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP (who are independent non-executive directors).