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瑞東
REORIENT 
REORIENT GROUP LIMITED
瑞東集團有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 376)

SUPPLEMENTAL ANNOUNCEMENT
VARIATIONS 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 First Announcement of the Reorient Group Limited (the “**Company**”) dated 4 February 2016 in relation to the Joint Venture Agreement entered into on even date among Reorient Financial Markets, Giant and Jiangsu Co; the Second Announcement of the Company dated 13 April 2016 in relation to the Supplemental Agreement entered into on 12 April 2016 among Reorient Financial Markets, Giant and Jiangsu Co and the Amended and Restated Joint Venture Agreement entered into on 13 April 2016 among Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co; and the circular of the Company dated 29 April 2016 in relation to the Amended and Restated Joint Venture Agreement and the transaction contemplated thereunder (the “**Circular**”). Unless otherwise specified, terms defined in the Circular shall have the same meanings when used in this announcement.

In order to facilitate the application of the requisite license in the PRC for the establishment of the JV Company, on 6 May 2016, Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co entered into a second amended and restated joint venture agreement (the “**Second Amended and Restated Joint Venture Agreement**”) whereby the parties agreed the following variations:

Management of the JV Company

As disclosed in the Second Announcement and the Circular, the parties had agreed under the Amended and Restated Joint Venture Agreement, among other things, that the board of directors of the JV Company would consist of 7 directors. Reorient Financial Markets would nominate 5 directors (including 1 independent director); Dr. Herbs Electronics would nominate 1 independent director; and Jiangsu Co would nominate 1 director.

Pursuant to the Second Amended and Restated Joint Venture Agreement, the board of directors of the JV Company will consist of 7 directors and the parties agreed that the composition of the board of directors of the JV Company will be re-allocated such that Reorient Financial Markets will nominate 3 directors, Dr. Herbs Electronics will nominate 2 directors (including 1 independent director) and Jiangsu Co will nominate 2 directors (including 1 independent director).

Restrictions

As disclosed in the Circular, each of the Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co shall not, among others:

- (i) transfer all or any part of the equity interest in the JV Company held by it unless agreed to by the other parties to the Amended and Restated Joint Venture Agreement and approved by the relevant authorities; and
- (ii) sell, transfer or pledge all or any part of the equity interest in the JV Company held by it to the other parties to the Amended and Restated Joint Venture Agreement or competitors of the JV Company.

Pursuant to the Second Amended and Restated Joint Venture Agreement, the aforementioned restrictions have been deleted and each of the Reorient Financial Markets, Dr. Herbs Electronics and Jiangsu Co, subject to the approval(s) by the relevant authorities, could transfer its respective equity interest in accordance with the applicable laws and regulations.

Information on the JV Company

Pursuant to the Second Amended and Restated Joint Venture Agreement, the proposed principal activities of the JV Company shall exclude the provision of securities trading and securities investment consultation services. The revised scope of principal activities of JV Company shall include provision of regulated securities related services (subject to the conditions imposed by China Securities Regulatory Commission and the relevant regulatory authorities and the approval(s) of the relevant regulatory authorities) including but not limited to, securities brokerage, underwriting and sponsorship in securities, securities and assets management, and securities dealing.

Effect of the transactions on the Group's earnings and assets and liabilities

As previously disclose in the Second Announcement and the Circular, the JV Company would have become a subsidiary of the Company and the financial results, assets and liabilities of the JV Company would have been consolidated into the accounts of the Group.

As a result of the entering into of the Second Amended and Restated Joint Venture Agreement, the JV Company will become an associate of the Company and its financial results, assets and liabilities of the JV Company will not be consolidated as a subsidiary in the consolidated financial statements of the Group.

Other than the variations as stated above, all other principal terms and conditions of the Amended and Restated Joint Venture Agreement remain unchanged.

Reasons for and benefits of the establishment of the JV Company

Pursuant to the Second Amended and Restated Joint Venture Agreement, Reorient Financial Markets will be entitled to nominate 3 directors out of 7 directors on the board of the JV Company. The Company is of the view that despite the change from the previous position, the revised board composition arrangement represents an appropriate level of control for Reorient Financial Markets with respect to the affairs of the JV Company that is proportionate to its shareholding in the JV Company. Important matters that require special resolutions by two-third majority at shareholders meetings of the JV Company as previously disclosed in the Circular remain unchanged under the terms of the Second Amended and Restated Joint Venture Agreement.

The Company wishes to reiterate that it has the operational need to upgrade its information technology infrastructure and to expand into markets outside Hong Kong, by potentially acquiring or investing into opportunities to permit cross-border financial product offering. The Company expects tangible benefits (in the form of cross-border access, business and technological synergies, and know-how exchanges with the JV Partners) from its co-operation with the JV Partners, being preeminent operators of their respective lines of technology-intensive products and services businesses, to the future development of the business of the Group as a whole.

Based on the above and having considered the invaluable business opportunities brought along by the establishment and the upgrade of the financial service platform through the JV Company, the Directors consider that the terms of the Second Amended and Restated Joint Venture Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As advised by the Company's PRC counsel, the Second Amended and Restated Joint Venture Agreement shall supersede and replace the Amended and Restated Joint Venture Agreement as announced on 13 April 2016. The articles of association of the JV Company will be amended to reflect the proposed variations as stipulated in the Second Amended and Restated Joint Venture Agreement.

On 6 May 2016, a written approval has been obtained from Jade Passion to approve the Second Amended and Restated Joint Venture Agreement.

By order of the Board
REORIENT GROUP LIMITED
Li Ting

Executive Director and Chief Executive Officer

Hong Kong, 6 May 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).