REORIENT GROUP LIMITED
瑞 東 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the "Directors") of REORIENT GROUP LIMITED (the "Company") announces the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011, together with the comparative figures for the corresponding period in 2010, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
Revenue	*4*	**22,207**	14,041
Other operating income		**1,260**	348
Gain on restructuring	*6*	**30,011**	—
Staff costs		**(22,487)**	(3,454)
Other operating expenses		**(38,727)**	(8,166)
Finance costs	*7*	**(1,066)**	(259)
(Loss)/profit before tax	*8*	**(8,802)**	2,510
Income tax	*9*	**—**	—
(Loss)/profit and total comprehensive (loss)/income for the year attributable to owners of the Company		**(8,802)**	2,510
Basic and diluted (loss)/earnings per share	*11*	**(7.35) cents**	8.13 cents

Details of dividend payable to shareholders of the Company are set out in note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**8,920**	73
Trading rights		**—**	—
Statutory deposits for financial services business		**430**	475
		9,350	548
Current assets			
Accounts receivable	*12*	**10,076**	34,500
Other receivables, deposits and prepayments		**3,717**	353
Bank balances — trust and segregated accounts		**50,355**	35,459
Bank balances (general accounts) and cash		**245,859**	36,918
		310,007	107,230
Current liabilities			
Accounts payable	*13*	**55,131**	66,916
Other payables and accrued charges		**7,202**	32,599
Loan payables	*14*	**—**	60,084
Deposits from the Investor	*15*	**—**	11,500
Loan from the Investor	*15*	**—**	23,700
Amounts due to directors		**763**	20,070
		63,096	214,869
Net current assets/(liabilities)		**246,911**	(107,639)
Total assets less current liabilities		**256,261**	(107,091)
Capital and reserves			
Share capital	*16*	**3,845**	308,701
Reserves		**252,416**	(415,792)
Total shareholders' equity/(capital deficiency)		**256,261**	(107,091)

Notes:

1. Corporate information

REORIENT GROUP LIMITED (formerly known as Asia TeleMedia Limited) (the "Company") is a limited company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Directors consider the Company's ultimate holding company to be Gainhigh Holdings Limited ("Gainhigh" or the "Investor"), a limited liability company incorporated in the British Virgin Islands. The registered office and the principal place of business of the Company is at Suites 1102-03, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The board (the "Board") of the Company proposed to change its name from Asia TeleMedia Limited to REORIENT GROUP LIMITED as set out in the Company's announcement dated 20 September 2011. The change of name was subject to the approval by the shareholders by way of a special resolution at an extraordinary general meeting held on 17 October 2011, and later, the approval from the Registrar of Companies. The change of name was approved in the said extraordinary general meeting and became effective on 25 October 2011.

The Company was placed into liquidation as a result of a winding up order made by the High Court of Hong Kong ("Court") on 18 March 2008. The Court ordered the permanent stay of the winding up order against the Company and the release and discharge of the Liquidators (the "Ex-Liquidators") on 5 August 2011. Trading of the Company's shares on the Stock Exchange resumed on 10 August 2011, having been suspended since 18 March 2008. Completion of the restructuring agreement dated 15 April 2011 (the "Restructuring Agreement") and the subscription agreement dated 7 June 2011 (the "Subscription Agreement") (collectively referred to as the "Restructuring") took place on 9 August 2011 (the "Completion Date"), having been approved by the shareholders and sanctioned by the Court. Further details on the Restructuring are disclosed in note 2 below.

During the year, the Company was an investment company and the Group was involved in the following principal activities:

- securities broking and trading;
- the provision of corporate finance advisory, merger and acquisition, broking and advisory, placing and underwriting services;
- the provision of nominee and custodian services; and
- the provision of consulting and advisory services.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. Restructuring of the Company and the Group

Details of the Restructuring were set out in the circular of the Company issued on 28 June 2011, and the Restructuring was approved by the shareholders of the Company at an extraordinary general meeting on 21 July 2011. The Restructuring principally involved the following:

(a) Capital restructuring

The Company underwent a capital restructuring, involving share consolidation, capital reduction, capital cancellation and increase in authorised share capital.

(b) ***Subscription***

Under the Restructuring Agreement, Gainhigh contributed HK$172 million to subscribe for new shares at the subscription price of HK$0.62 each, representing a total consideration of HK$79.5 million and convertible notes issued by the Company with the principal amount of HK$92.5 million and tenure of five years bearing no interest and convertible into new shares at an initial conversion price of HK$0.62 per new share, subject to adjustment.

(c) ***The Scheme***

A creditors' meeting was held on 21 July 2011 at which the scheme of arrangement (the "Scheme") between the Company and its creditors (the "Scheme Creditors") was approved by the Scheme Creditors. Pursuant to the Scheme, upon completion, all the Company's indebtedness (including but not limited to any guarantee or indemnity given by the Company) was compromised and discharged in full in return for a cash payment of HK$72 million, which was funded by the Company out of the proceeds from the subscription.

(d) ***Group reorganisation***

Upon completion, all the issued shares of several subsidiaries of the Company (the "Disposed Subsidiaries") were transferred to a nominee of the scheme administrators for the benefit of the Scheme Creditors at a nominal consideration of HK$1 and any guarantee or indemnity given by the Company in respect of the obligations or liabilities of each of the Disposed Subsidiaries was released and discharged in full upon such transfer.

Details of the capital restructuring and subscription are set out in note 16. The Scheme and the group reorganisation are detailed in note 6.

3. Adoption of new and revised Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The accounting policies have been consistently applied to all the years presented unless otherwise stated. The application of new and revised standards, amendments and interpretations ("new and revised HKFRSs") and the impacts on the Group's financial statements, if any, are disclosed as below.

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA, which are effective for annual periods beginning on or after 1 January 2011.

(a) *Adoption of new and revised HKFRSs — effective 1 January 2011*

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) — Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

The adoption of these new and revised standards and interpretations has no material impact on the Group's consolidated financial statements for the current or prior accounting periods, except for the following amendments:

Amendment to HKFRS 7 "Financial Instruments: Disclosures" (as part of the improvements to HKFRSs issued in 2010) requires disclosure in respect of the description of collateral held as security and of other credit enhancements and their financial effect of the amount that best represents the maximum exposure to credit risk. The Group has several securities held as collateral over the accounts receivable which are past due but not impaired. The application of the new amendment would only extend the disclosure, and have no impact on the Group's result in the current and prior years.

(b) *New and revised HKFRSs that have been issued but are not yet effective*

The following new and revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[2]
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities[5]
HKFRS 9 and Amendments to HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HK(IFRIC) — Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 — Disclosures — Offsetting Financial Assets and Financial Liabilities

HKFRS 7 Amendments issue new disclosure requirements in relation to the offsetting models of financial assets and financial liabilities. The amendments also improve the transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. The Group expects to adopt the amendments from 1 January 2013.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 11 — Joint Arrangements

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, and the consequential amendments to HKAS 27 and HKAS 28 from 1 January 2013.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively. The Group expects to adopt the standard from 1 January 2013.

The Group is in the process of making an assessment of the potential impact of these new and revised HKFRSs and the Group anticipates that the application of these new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

4. Revenue

Revenue represents the net amounts received and receivable during the year. An analysis of the Group's revenue for the year is as follows:

	2011	2010
	HK$'000	*HK$'000*
Brokerage and commission income	**9,611**	8,723
Placing, underwriting and sub-underwriting commission income	**3,538**	4,801
Consultancy and advisory fee income	**8,910**	346
Interest income	**148**	171
	22,207	14,041

5. Segment information

The operating segments have been determined based on the reports reviewed by the executive directors of the Company that are used to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group is currently organised into three operating segments, namely (i) securities brokerage, (ii) securities underwriting and placements, and (iii) consultancy and advisory services.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment revenue represents the revenue generated by each operating segment from external customers. Inter-segment revenue represents inter-segment services which were transacted with reference to the normal commercial price made to third parties at the then prevailing market prices.

Segment profit represents the profit earned by the segment without allocation of general and administrative staff costs, gain on restructuring, other central administrative costs, other income, finance costs, depreciation, and taxation. This is the measure reported to the chief operating decision marker, at the relevant times, for the purposes of resource allocation and performance assessment.

Segment revenue and results

For the year ended 31 December 2011

	Securities brokerage *HK$'000*	**Securities underwriting and placements** *HK$'000*	**Consultancy and advisory services** *HK$'000*	**Total** *HK$'000*
Segment revenue	**9,759**	**4,040**	**8,910**	**22,709**
Elimination of inter-segment revenue	**—**	**(502)**	**—**	**(502)**
Consolidated revenue	**9,759**	**3,538**	**8,910**	**22,207**
Reportable segment profit	**3,812**	**2,519**	**6,662**	**12,993**
Other income				**1,260**
Gain on restructuring				**30,011**
Unallocated staff costs				**(13,270)**
Finance costs				**(1,066)**
Depreciation				**(1,357)**
Legal, professional and consultancy fee				**(20,549)**
Other central administrative costs				**(16,824)**
Loss for the year				**(8,802)**

For the year ended 31 December 2010

	Securities brokerage *HK$'000*	Securities underwriting and placements *HK$'000*	Consultancy and advisory services *HK$'000*	Total *HK$'000*
Segment and consolidated revenue	8,894	4,801	346	14,041
Reportable segment profit	8,717	4,801	346	13,864
Other income				348
Unallocated staff costs				(3,303)
Finance costs				(259)
Depreciation				(78)
Legal, professional and consultancy fee				(1,796)
Other central administrative costs				(6,266)
Profit for the year				2,510

Segment assets and liabilities

As the assets and the liabilities are regularly reviewed by the executive directors of the Group as a whole, the measure of total assets and liabilities by operating segment is therefore not presented.

Other segment information

For the year ended 31 December 2011

	Securities brokerage *HK$'000*	**Securities underwriting and placements** *HK$'000*	**Consultancy and advisory services** *HK$'000*	**Total** *HK$'000*
Interest income from cash clients	**148**	**—**	**—**	**148**
Other interest income	**—**	**—**	**—**	**—**
Impairment loss on accounts receivable	**—**	**—**	**—**	**—**
Recovery of impairment loss on accounts receivable	**(3)**	**—**	**—**	**(3)**

For the year ended 31 December 2010

	Securities brokerage *HK$'000*	Securities underwriting and placements *HK$'000*	Consultancy and advisory services *HK$'000*	Total *HK$'000*
Interest income from cash clients	168	—	—	168
Other interest income	3	—	—	3
Impairment loss on accounts receivable	20	—	—	20
Recovery of impairment loss on accounts receivable	(8)	—	—	(8)

Geographical information

The Group's capital expenditures are located in the People's Republic of China including Hong Kong (the "PRC"). The Group's turnover was derived from the PRC where the customers are located.

Information about major customers

The Group's revenue to external customers which accounted for 10% or more of its total revenue are as follows:

	2011 *HK$'000*	2010 *HK$'000*
Customer A	**N/A[2]**	2,751
Customer B	**2,306**	2,963
Customer C	**N/A[2]**	2,047
Customer D	**4,000**	N/A[1]
Customer E	**2,944**	N/A[1]

[1] The transactions with these customers did not account for more than 10% of the total revenue of the Group for the year ended 31 December 2010.

[2] The transactions with these customers did not account for more than 10% of the total revenue of the Group for the year ended 31 December 2011.

Revenue derived from customers A and B are included in the segment of securities brokerage. Revenue derived from customers C and D are included in the segments of securities underwriting and placements, and consultancy and advisory, respectively. Revenue derived from customer E is included in the segments of securities underwriting and placements, and consultancy and advisory.

6. Gain on restructuring

As part of the Restructuring, all the claims of the Scheme Creditors against the Company were discharged and waived by way of the Scheme under Section 166 of the Hong Kong Companies Ordinance (Cap 32). The Scheme was sanctioned by the Court on 2 August 2011.

Pursuant to terms of the Restructuring Agreement, on the Completion Date, the Company assigned and transferred all its rights, title and interest to or in any of the receivables, together with proceeds from subscription of shares by Gainhigh and proceeds from realization of assets being kept in escrow by the Ex-Liquidators have been transferred to the Scheme administrators (the "Scheme Administrators") for the settlement and discharge of claims against the Company by the creditors in accordance with the terms of the Scheme. Upon the Completion Date, all liabilities existing at the date of appointment of the Ex-Liquidators of the Company were compromised and discharged through the Scheme. The excess of the amount of liabilities over the amount of assets transferred to the Scheme was recognized as gain arising on restructuring in the profit or loss for the year.

Integral to the Restructuring was the Disposed Subsidiaries that were non-strategic to the future development of the Group. The gain on disposal of the Disposed Subsidiaries was recognised as part of the gain on restructuring in the profit or loss for the year.

On the Completion Date, the following liabilities of the Company and the Disposed Subsidiaries have been released and discharged, and derecognised:

	Note	*HK'000*
Liabilities of the Company released or discharged:		
Accrual and other payables		23,552
Amounts due to directors		20,070
Loan payables		60,084
Total liabilities of the Company released or discharged	*(i)*	103,706
Satisfied by:		
Proceeds from issuance of shares and convertible notes transferred to the Scheme Administrators	*(ii)*	(72,000)
Bank balances (general accounts) and cash	*(iii)*	(1,732)
		29,974
Liabilities of Disposed Subsidiaries derecognised:		
Accrual and other payables		37
Gain on restructuring		30,011

Note:

(i) This amount represents the aggregate Scheme indebtedness, indebtedness and liabilities (actual and contingent) of the Company released and discharged at the Completion Date.

(ii) Gainhigh, being the new investor of the Company, subscribed 128,225,806 shares with par value of HK$0.01 for a cash consideration of HK$79,500,000 and subscribed a non-interest bearing non-redeemable convertible notes in the aggregate principal of HK$92,500,000 at an initial conversion price of HK$0.62 per new share. Based on the Restructuring Agreement, part of the proceeds from the issuance of the shares and convertible notes of HK$72,000,000 was made available to the Scheme Administrators and HK$20,000,000 were used to settle all the cost, charges, expenses and disbursements in connection with the Restructuring (the "Cost of Restructuring"). Immediately prior to the Completion Date, Gainhigh had already advanced HK$58,700,000 to the Company, of which HK$20,000,000 and HK$38,700,000 were included in deposits from the Investor and loan from the Investor in the Company's and the consolidated statement of financial position, respectively. The remaining amount of HK$113,300,000 was received by the Company as the proceeds from the issuance of shares and convertible notes. Further details are set out in notes 15 and 16.

(iii) The amount represents the bank balances (general accounts) and cash held by the Ex-Liquidators that the Company has no control after the Completion Date.

Cash outflow on Restructuring is set out below:

	HK'000
Cash and cash equivalent balances derecognised:	
Bank balances (general accounts) and cash	1,732
Repayment of liabilities due to the Scheme Creditors (made available to the Scheme Administrators)	72,000
	73,732

7. Finance costs

	2011	2010
	HK$'000	*HK$'000*
Interest on other loans, wholly repayable within five years	**1,066**	259

8. (Loss)/profit for the year

(Loss)/profit for the year has been arrived at after charging the following:

	2011	2010
	HK$'000	*HK$'000*
Auditor's remuneration	**630**	580
Impairment loss on accounts receivable	**—**	20
Depreciation	**1,357**	78
Operating lease charges in respect of office premises	**3,379**	709
Legal, professional and consultancy fees	**20,549**	1,796
Ex-Liquidators' remuneration	**406**	3,210
Net exchange loss	**30**	47

9. Income tax

No provision for Hong Kong Profits Tax were made for the years ended 31 December 2011 and 2010 as the Group had either no assessable profits arising in Hong Kong for that year or an allowable tax loss brought forward which exceeded its estimated assessable profit for that year.

10. Dividends

No dividend was paid or proposed for the year ended 31 December 2011 (2010: nil), nor has any dividend been proposed since the end of the reporting period.

11. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic loss (2010: earnings) per share is based on the loss for the year of HK$8,802,000 (2010: profit for the year of HK$2,510,000) and on the weighted average number of 119,772,773 (2010: 30,870,145 after share consolidation of every 50 issued shares of HK$0.20 each into 1 consolidated share) shares in issue during the year.

(b) Diluted (loss)/earnings per share

The (loss)/earnings and the weighted average number of ordinary shares used in the calculation of diluted (loss)/earnings per share for the year ended 31 December 2011 and 2010 are the same as those for the basic earnings per share, as appropriate, outlined above.

The calculation of diluted loss per share for the year ended 31 December 2011 has not assumed the conversion of the Company's convertible note and the exercise of the warrant (2010: has not assumed the exercise of the warrant) as these potential ordinary shares are anti-dilutive during the year.

12. Accounts receivable

(a) Analysis of accounts receivable

The carrying amount of accounts receivable arising from the course of business of the Group are as follows:

	2011	2010
	HK$'000	*HK$'000*
Accounts receivable arising from dealing and broking:		
— Margin clients	**26,124**	26,126
— Cash clients	**7,120**	30,871
— Broker, dealers and clearing houses	**312**	3,785
Accounts receivable arising from underwriting, corporate finance, advisory and consultancy services:		
— Corporate clients	**2,799**	—
	36,355	60,782
Less: allowance for doubtful debts	**(26,279)**	(26,282)
	10,076	34,500

(b) Ageing analysis of accounts receivable

The Group allows the settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date. The following is an aged analysis of accounts receivable net of allowance for doubtful debts at the end of the reporting period:

	Accounts receivable from			
	Cash clients	**Brokers and dealers**	**Corporate clients**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2011				
Within 30 days	**5,693**	**312**	**2,719**	**8,724**
Within 31 — 90 days	**492**	**—**	**80**	**572**
More than 90 days	**780**	**—**	**—**	**780**
	6,965	**312**	**2,799**	**10,076**
At 31 December 2010				
Within 30 days	30,631	3,785	—	34,416
Within 31 — 90 days	1	—	—	1
More than 90 days	83	—	—	83
	30,715	3,785	—	34,500

13. Accounts payable

	2011	2010
	HK$'000	*HK$'000*
Cash clients	**53,154**	66,915
Broker, dealers and clearing houses	**1,977**	1
	55,131	66,916

Included in accounts and other payables are payable to clients and other institutions in respect of the bank balances received and held for clients and other institutions in the course of the conduct of regulated activities, which amounts to HK$50,355,000 (2010: HK$35,459,000).

The ageing analysis of the Group's accounts payable at the end of the reporting period, based on the settlement due date, is within 30 days.

14. Loan payables

	2011	2010
	HK$'000	*HK$'000*
Loan payables	**—**	60,084

As at 31 December 2010, the loan payables comprised HK$2,000,000 at nil interest and the remaining loan amount of approximately HK$58,084,000 carried interest at 7% per annum. These loans were admitted, discharged and waived by way of Restructuring as set out in note 6.

15. Deposits and loan from the Investor

	Deposits from the Investor	**Loan from the Investor**
	HK$'000	*HK$'000*
At 1 January 2010	7,000	—
Advancement during the year	4,500	23,700
At 31 December 2010 and 1 January 2011	11,500	23,700
Advancement during the year	8,500	15,000
Repaid upon issuance of subscription shares and convertible notes *(note 6)*	(20,000)	(38,700)
At 31 December 2011	—	—

Loan from the Investor carried a fixed interest rate of 5% per annum and was repayable on the Completion Date. It was secured by way of first fixed charge on all interests and dividends from the entire issued share capital of REORIENT Financial Markets Limited ("RFM"), which has been released on the Completion Date.

Deposits from the Investor represented the amount deposited by the Investor to meet the Cost of Restructuring.

16. Share capital

(a) Authorised and issued share capital

	2011	2010
	HK$'000	*HK$'000*
Authorised:		
2,000,000,000 ordinary shares of HK$0.20 each	—	400,000
2,000,000,000 ordinary shares of HK$0.01 each	**20,000**	—
Issued and fully paid:		
1,543,507,296 ordinary shares of HK$0.20 each	—	308,701
384,494,527 ordinary shares of HK$0.01 each	**3,845**	—

During the year, the Company has the following movements in the share capital:

(a) Pursuant to the terms of the Restructuring Agreement,

(1) Every 50 issued and unissued shares of HK$0.20 each were consolidated into 1 consolidated share. As a result, 1,543,507,296 issued shares of HK$0.20 each were consolidated into 30,870,145 consolidated shares.

(2) The nominal value of the existing share was reduced from HK$10.00 each to HK$0.01 each. The credit arising as a result of the capital reduction of approximately HK$308.4 million has been applied to reduce the accumulated losses of the Company as permitted by the Hong Kong Companies Ordinance.

(3) After share consolidation and capital reduction became effective, the unissued share capital in the authorised share capital of HK$400,000,000 was cancelled and diminished resulting in an authorised and issued share capital of the Company becoming HK$308,701.

(4) Upon capital cancellation became effective, the authorised share capital was increased from HK$308,701 to HK$20,000,000 divided into 2,000,000,000 new ordinary shares.

(b) As part of the Restructuring, the Company, the Ex-Liquidators and Gainhigh, entered into a subscription agreement on 7 June 2011, pursuant to which, Gainhigh agreed to, upon the Completion Date, subscribe 128,225,806 new ordinary shares of HK$0.01 each at the subscription price of HK$0.62 per share, representing a total consideration of HK$79.5 million, and subscribe a non-interest bearing, non redeemable convertible notes in the principal amount of HK$92,500,000 at an initial conversion price of HK$0.62 per new share upon conversion.

(c) On 7 September 2011, the convertible notes with principal amount of HK$37.2 million were converted into 60,000,000 new ordinary shares at a conversion price of HK$0.62 per share, and on 21 November 2011, the remaining amount of the outstanding convertible notes of HK$55.3 million were converted into 98,398,576 new ordinary shares at an adjusted price of HK$0.562 per share. All the convertible notes have been converted into shares of the Company during the year ended 31 December 2011.

(d) On 6 September 2011, several arrangements were made for a private placement to independent investors of 67,000,000 shares of HK$0.01 each in the Company held by Gainhigh, at a price of HK$3 per share representing a discount of approximately 16.90% to the closing market price of the Company's shares on 5 September 2011. Pursuant to a subscription agreement of the same date, Gainhigh subscribed for 67,000,000 new shares of HK$0.01 each in the Company at a price of HK$3 per share. The proceeds were used to strengthen the Group's capital base, to provide financial resources for expansion plans and additional working capital for the Company. These new shares were issued pursuant to approval by the shareholders, at an extraordinary general meeting of Company held on 8 November 2011.

A summary of the transactions during the year, with reference to the movements of the Company's ordinary share capital is as follows:

	No. of shares	**Nominal Value**
	'000	*HK$'000*
Authorised:		
At 1 January and 31 December 2010:		
2,000,000,000 ordinary shares of HK$0.20 each	2,000,000	400,000
Share consolidation	(1,960,000)	—
Capital reduction and cancellation	(9,129)	(399,691)
Increase in authorised share capital	1,969,129	19,691
At 31 December 2011: 2,000,000,000 ordinary shares of HK$0.01 each	2,000,000	20,000
Issued and fully paid:		
At 1 January and 31 December 2010: 1,543,507,296 ordinary shares of HK$0.20 each	1,543,507	308,701
Capital reorganisation	(1,512,637)	(308,392)
	30,870	309
Subscription of ordinary shares of HK$0.01 each	128,226	1,282
Placement of ordinary shares of HK$0.01 each	67,000	670
Conversion of convertible notes to ordinary shares of HK$0.01 each	158,398	1,584
At 31 December 2011: 384,494,527 ordinary shares of HK$0.01 each	384,494	3,845

All the new shares rank pari passu with other shares in issue in all respects.

17. Events after the end of the reporting period

There were no significant subsequent events after end of the reporting period up to the date of approval of the financial statements.

18. Comparative

Certain comparative numbers have been changed to conform to the current year's presentation.

19. Approval of the audited consolidated financial statements

The audited consolidated financial statements for the year ended 31 December 2011 were approved and authorised for issue by the Directors of the Company on 8 February 2012.

EXTRACT OF AUDITOR'S REPORT

Basis for qualified opinion

Prior year audit scope limitations affecting opening balances

The auditor's report on the consolidated financial statements for the year ended 31 December 2010 was qualified in respect of limitations of audit scope described in sub-paragraphs (1) to (3) below. Any adjustments to these comparative amounts may have a consequential effect on the balance of accumulated losses of the Group and the Company as at 1 January 2011 and related disclosures in these financial statements.

1. Completeness of information

A winding-up petition against the Company was filed on 5 June 2007, and a winding-up order was made by the High Court of Hong Kong (the "Court") on 18 March 2008. Messrs Edward Simon Middleton and Patrick Cowley were appointed as the Joint and Several Liquidators of the Company (the "Liquidators") on 14 January 2009, pursuant to an Order of the Court. The Liquidators had only been able to provide books and records of the Group which were made available to them by the directors and management of the Group for the purpose of the audit. Accordingly, the Liquidators could not provide us with any written representations regarding any of the accounting information and records. In consequence, we were unable to carry out all the auditing procedures necessary to obtain adequate assurance regarding the assets, liabilities, income and expenses appearing in the financial statements for the year ended 31 December 2010. There were no satisfactory audit procedures that we could adopt to obtain sufficient appropriate audit evidence regarding the accuracy and completeness of the assets, liabilities, income and expenses of the Company and of the Group for the year ended 31 December 2010, and the adequacy of disclosures in these financial statements.

2. Loss of accounting records

The consolidated financial statements and the financial statements of the Company for the year ended 31 December 2010 contained financial information of the representative offices located in Beijing and Shenzhen (the "PRC representative offices"). The PRC representative offices were closed and the accounting records could not be retrieved. As a consequence, we were unable to obtain all information that we required in relation to our audit and were also unable to carry out other satisfactory auditing procedures that we considered necessary to obtain adequate assurance regarding assets, liabilities and profit or loss contributed by the PRC representative offices for the year and the adequacy of disclosures in these financial statements. In 2010, no amount was contributed from assets and profit or loss of the PRC representative offices. Liabilities contributed by the PRC representative offices amounting to HK$1,936,000 had been included in other payables and accrued charges in the financial statements as at 31 December 2010, of which we could not carry out satisfactory auditing procedures.

3. Directors' emoluments

We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding directors' emoluments for the year ended 31 December 2010. This was not in accordance with the requirements of Section 161A of the Hong Kong Companies Ordinance.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Company accomplished a number of significant milestones and achievements in 2011 that eventually led to its turnaround and relisting. On 1 April 2011, the Listing Committee of the Stock Exchange approved the resumption of trading in the shares of the Company subject to certain conditions.

On 3 May 2011, the Company moved its headquarters to a new and larger office in order to cope with its planned business expansion and infrastructure improvements. Then on 5 August 2011, the Court ordered the permanent stay of the winding up order against the Company and the release and discharge of the Ex-Liquidators was granted. On 9 August 2011, all conditions precedent to the Restructuring Agreement and the Subscription Agreement were fulfilled and completion of the Restructuring Agreement and the Subscription Agreement took place. Upon completion of the Restructuring, all the then existing directors were removed and 9 new Directors were appointed to the new Board. On 10 August 2011, trading in the shares of the Company resumed on the main board of the Stock Exchange. Upon completion of the Restructuring Agreement and the Subscription Agreement, Gainhigh became the major shareholder of the Company. Gainhigh is beneficially 80%-owned by Mr. Ko Chun Shun, Johnson, the chairman of the Company and an executive director of the Company and 20%-owned by China Chengtong Holdings Group Limited, which has formally become a strategic partner of the Group. On 25 October 2011, the Company changed its name to REORIENT GROUP LIMITED, and rebranded most of its subsidiaries accordingly.

From September through November 2011, eight qualified institutional traders and salespersons commenced employment with the Group. Further a team of corporate finance professionals also joined the Group during that time. In addition, support staff in the areas of Compliance, Operations, Finance, Administration/Human Resources and Information Technology were recruited, bringing the head count of the office to 44 persons as at 31 December 2011.

For the year ended 31 December 2011, the Group's turnover was approximately HK$22.21 million (2010: approximately HK$14.04 million), representing an increase of 58.19%.

With the move to the new office, renovation costs, investment in information technology infrastructure as well as the recruitment of experienced securities trading, corporate finance and supporting professionals, the cost of operations of the Group has increased a great deal. For the year ended 31 December 2011, operating expenses were approximately HK$62.28 million (comprising staff costs, other operating expenses and finance costs) (2010: approximately HK$11.88 million), which increase was expected and necessary to restructure and build up the Group's business operations. With the Group's restructuring taking place with less than five months of the year remaining, the Company recorded a net loss of approximately HK$8.80 million (2010: a net profit of approximately HK$2.51 million).

The Group's lines of business and their performance are detailed below:

Securities Trading

The Group executes trades in respect of securities listed on various exchanges in the Asia Pacific region on behalf of its retail and institutional clients for which it charges a commission. The Group also generates fees in respect of share transfers, custodial services and foreign exchange. The competition in the retail and institutional brokerage space has been very fierce with a number of brokers cutting commissions. Profit margins have narrowed significantly whilst the cost of operations as well as compliance has increased. The Group invested a significant amount of funds on new trading, clearing and settlement systems for both the retail and institutional platforms to position the Group to handle institution business and to improve its handling of retail business.

As at 31 December 2011, the Group had over 4,000 retail clients, of which approximately 1,100 were active clients. The commission rates on retail securities dealing are agreed between the Group and clients by negotiation and may vary on a case-by-case basis – with an average rate of 0.20% (subject to a minimum charge) for securities trading orders.

With the various institutional sales traders starting employment at different dates, institutional trading for the Group began in November 2011. The initial response has been very good with a number of institutional clients ranging from hedge funds, corporates and long-only funds opening accounts with the Group despite a difficult economic environment and competition.

For the year ended 31 December 2011, the total value of transactions in relation to securities brokerage by the Group amounted to approximately HK$3,911 million. The Group's income generated from securities brokerage amounted to approximately HK$9.76 million, representing 43.94% of the Group's total revenue for the year ended 31 December 2011.

Placing and underwriting

The Group acts as a placing agent and an underwriter/sub-underwriter for the placing of existing and/or new shares of companies listed on the Stock Exchange. The placing or underwriting commission charged by the Group is subject to negotiation with the client or company concerned and is generally in line with market practice and pricing.

During the year ended 31 December 2011, the Group completed four placing and sub-underwriting transactions. Going forward, the Group will continue to participate in placings and underwriting/sub-underwriting exercises. For the year ended 31 December 2011, the total value of transactions in relation to placings and underwriting by the Group amounted to approximately HK$344 million. The Group's income generated from placing and underwriting amounted to approximately HK$3.54 million, representing 15.94% of the Group's total revenue for the year ended 31 December 2011.

Corporate finance

With the reactivation of the Group's Type 6 licence in respect of advising on corporate finance activities in December 2010 and the recruitment of a team of very experienced and talented corporate finance executives in the last few months of 2011, the Group has been building up its corporate finance business. For the year ended 31 December 2011, income generated from consultancy and advisory services amounted to approximately HK$8.61 million, representing 38.77% of the Group's total revenue for the year ended 31 December 2011.

Consulting services

In November 2010, China Chengtong Asset Management Corporation ("CCT Asset Management"), a wholly owned subsidiary of China Chengtong Holdings Group Limited (together with its subsidiaries, the "CCT Group") mandated REORIENT Financial Markets Limited ("RFM"), a wholly owned subsidiary of the Company, to provide advisory and consulting services for three projects with a view to reorganising and/or restructuring the assets in the projects for potential public listings or other corporate fund raising transactions (e.g. private equity, loans, debt, etc.). The income generated from the consulting services amounted to HK$0.3 million, representing 1.35% of the Group's revenue for the year ended 31 December 2011.

Compliance and Financial Resources

The Group has appointed a full time Head of Compliance who ensures compliance in full and at all times with the Securities and Futures Commission's ("SFC") codes, rules and regulations. The Group's main operating subsidiary, RFM, which is licensed by the SFC met the financial resources requirement throughout the year.

Administration and Human Resources

The Group used a combination of search firms and personal introductions to attract and recruit some of the top talent from the major investment banks and brokerages in Asia. Many of the new professionals were attracted to the Group's business plans, partners, and key staff, and as a result the Group has now staffed up operations and is at full complement for the time being. All staff are remunerated with a basic salary amount, a mandatory provident fund contribution, with a discretionary bonus awarded according to their performance. The firm has adopted a share option scheme for employees and other eligible participants.

Management experience and expertise

The management team comprises of persons with a great deal of experience, expertise and who are veterans of the financial services industry. Mr. Brett Mcgonegal, the chief executive officer of RFM, Ms. Angelina Kwan, the chief operating officer of RFM, Mr. Jason Boyer, vice chairman of RFM, Mr. Brad Ainslie, head of global markets of RFM, Mr. Uwe Parpart, chief strategist of RFM and Mr. John Maguire, head of corporate finance of RFM, all have extensive trading, management, regulatory and compliance experience having worked for a variety of financial institutions in Asia and the United States. With the extensive experience, contacts and knowledge of the new management team, the Group is well poised to grow its business and to react promptly to changes in market conditions.

Strong strategic partnerships in China

CCT Asset Management is principally engaged in managing and operating state-owned assets and it is wholly-owned by the CCT Group. China Chengtong Holdings Group Limited, the parent company of CCT Group, is an entity designated by State-owned Assets Supervision and Administration Commission ("SASAC") of the State Council of the PRC to deal with and to handle the operations of many state-owned assets. CCT Asset Management is not only responsible for carrying out the reorganisation and restructuring of state-owned assets, but is also responsible for the improvement of the structure of state-owned enterprises. CCT Group has been entrusted by SASAC to assist a number of state-owned enterprises to improve their competitiveness and profitability.

In addition to being a strategic partner of the Group, CCT Asset Management and the Group have established a joint venture company in Beijing to advise CCT Group and other companies in respect of the reorganisation and restructuring of the non-core and non-performing assets of state-owned enterprises in the PRC mandated to CCT Group by SASAC. CCT Asset Management has already begun to introduce the Group to those state-owned enterprises and thus has begun to provide the Group with a steady stream of potential businesses where the Group can assist in raising capital, introducing sellers or buyers and listing on the Stock Exchange or other markets. Having a vested interest in the Group, the Group believes that CCT Group will have the incentive to refer business to the Group. RFM will be offered priority to provide services in respect of assets operated and managed by CCT Asset Management. With the strategic tie-up with CCT Group, the Group is confident that it will be able to expand its business operation in the foreseeable future through CCT Group's special status and networks.

Looking Forward

2012 is expected to be a year of volatility, uncertainty, but yet with opportunities. With the European Financial Crisis looming and weaknesses in the American economy, the year ahead is full of uncertainty. The downturn caused by the European Financial Crisis has caused concern that Europe's problems will spread to Asia, causing an economic downturn. With the closures of or layoffs at a number of Asian based financial institutions, this has lead to pessimism in the market as well as a tightening of the credit markets. However, a number of new business ventures, transactions and players have emerged, presenting new opportunities for the Group.

The Group believes that because of its size, its business plans, and its maneuverability, it will weather this storm and emerge even stronger.

The future will be difficult and challenging. The Board is determined to improve returns to stakeholders and carry out its plans in bringing a new paradigm to the financial services industry.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total shareholders' equity amounted to approximately HK$256 million as at 31 December 2011 as compared to capital deficiency of approximately HK$107 million reported at the end of last year. The change was attributable to the loss reported for the year ended 31 December 2011 and to the capital restructuring measures undertaken by the Group during the year.

To strengthen the Group's capital base and to provide financial resources for working capital and expansion needs, in August 2011 the Company issued (i) 128,225,806 shares at HK$0.62 per share, raising HK$79.5 million and (ii) convertible notes, raising HK$92.5 million. In September 2011, the Company had a top-up placement of 67 million shares at HK$3.00 per share, adding new capital of approximately HK$200 million.

The liquidity ratio as at 31 December 2011 improved significantly at 4.9 times for reasons outlined above, as compared to 0.49 times as at 31 December 2010. The Group had no bank and other borrowing at the end of the reporting period, whilst had approximately HK$95 million borrowings and a capital deficiency of approximately HK$107 million as at 31 December 2010.

During the year, the Group did not engage in the use of other financial instruments for hedging purposes, and there were no hedging instruments outstanding as at 31 December 2011.

FOREIGN EXCHANGE RISK

The Group has assets and liabilities denominated in currencies other than its functional currency and are subject to fluctuation in foreign exchange amount the different currencies. The Group considers that the Group's exposure to US dollar ("USD") is insignificant on the ground that Hong Kong dollar is pegged to USD. The Group is exposed to currency risk arising from various currency exposures mainly to the extent of its bank balances in currencies other than USD, such as Japanese Yen and Reminbi. The Group currently does not have a foreign currency hedging policy, however, the management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CHARGE OF ASSETS

At the end of the reporting period, the Group did not have any charges of assets.

STAFFING AND REMUNERATION

As at 31 December 2011, the Group employed 44 full time employees, all of which were located in Hong Kong. The remuneration of employees includes salary, commission, sign-on payments and discretionary bonus. The Group also adopted a share option scheme to provide an incentive to the employees.

The remuneration policy and package, including the share options, of the Group's employees are maintained at market level and reviewed annually by the management.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Graham H.Y. Chan & Co., to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Graham H.Y. Chan & Co. in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public accountants and consequently no assurance has been expressed by Messrs. Graham H.Y. Chan & Co. on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2011, save as disclosed in note 16 and other than acting as an agent for clients of the Company and its subsidiaries, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code since their appointment on 9 August 2011 to 31 December 2011.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

All the members of the existing Board were appointed on 9 August 2011 upon the completion of the Restructuring and do not have sufficient information and records to comment on the corporate governance practice prior to the completion of the Restructuring on 9 August 2011.

Since the completion of the Restructuring, the Board has reviewed the Group's corporate governance practices after the existing Directors of the Company were appointed and is satisfied that the Company has complied with the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules except for the following deviations:

Code A.2.1 of the Code provides, inter alia, that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company has not yet appointed a chief executive officer, in the interim Mr. Ko Chun Shun, Johnson has unofficially been assuming the role of chief executive officer of the Company.

In this regard, the Company has deviated from Code A.2.1 of the Code. The Board believes that the roles of chairman and chief executive officer in the same person, Mr. Ko Chun Shun, Johnson, can provide the Group with strong and consistent leadership and allow for more effective and efficient business planning during the initial stage of taking over of the Company. However, as the Group's business continue to develop and expand, the Board shall recruit a suitable candidate to be the chief executive officer to enhance the overall management and operation of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors. The Audit Committee is chaired by Mr. Chu Chung Yue, Howard with Mr. Liu Zhengui and Mr. Ding Kebai being the other members. The terms of reference of the Audit Committee are in line with the Code. The Group's audited consolidated financial statements for the year ended 31 December 2011 have been reviewed by the Audit Committee.

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution, devotion and dedication to the Group. We also thank our shareholders, clients and business partners for their continuous support.

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

Hong Kong, 8 February 2012

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