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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF SHARES

The Board is pleased to announce that on 15 February 2013, the Company, the Management Team SPC and the Seller entered into the Share Purchase Agreement pursuant to which the Seller agreed to sell and the Company and the Management Team SPC each agreed to purchase the Reorient Target Shares and the SPC Target Shares respectively, subject to the terms and conditions set out therein.

The purchase price for the Reorient Target Shares is KRW4,541,872,500 (approximately HK\$32,701,482), which will be satisfied in cash.

The Company, the Management Team SPC, the Seller, Korea Investment & Securities Co., Ltd. and the Target Company have also entered into a shareholders' agreement to regulate their relationship as shareholders of the Target Company, effective upon Completion.

The Target Company, EQ Partners Co., Ltd., is a private equity investment firm based in Seoul managing assets reaching approximately US\$800 million.

As one of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Acquisition is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 February 2013, the Company and the Management Team SPC and the Seller entered into the Share Purchase Agreement pursuant to which the Seller agreed to sell and the Company and the Management Team SPC each agreed to purchase the Reorient Target Shares and the SPC Target Shares respectively, subject to the terms and conditions set out therein.

THE SHARE PURCHASE AGREEMENT

Date

15 February 2013

Parties

Seller : Dongah Tire and Rubber Co., Ltd.

Buyers : Reorient Group Limited
Ariel Capital Partners Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Seller and the Management Team SPC and their respective ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, and are not connected persons of the Company.

Assets to be purchased

Pursuant to the Share Purchase Agreement, the Seller has agreed to sell and the Company and the Management Team SPC have each agreed to purchase the Reorient Target Shares and the SPC Target Shares respectively.

As at the date of this announcement, the Target Company has an issued share capital of 223,500 common shares and 73,500 preferred shares, held by the Seller (as to 180,000 common shares) and Korea Investment & Securities Co., Ltd. (as to 43,500 common shares and 73,500 preferred shares). The Reorient Target Shares and SPC Target Shares represent approximately 33.22% and 26.58% of the voting rights and all the common shares issued by the Target Company, and 25.0% and 20.0% of the economic interest and total issued share capital of the Target Company.

Consideration

The purchase price for the Reorient Target Shares is KRW4,541,872,500 (approximately HK\$32,701,482) which will be satisfied in cash upon Completion.

The purchase price for the Reorient Target Shares was determined after arm's length negotiations with reference to a number of factors, including the net asset value of the Target Company and the value of the assets under the management of the Target Company.

The purchase price payable by the Management Team SPC for the SPC Target Shares was determined based on substantially similar terms to the Reorient Target Shares.

Conditions Precedent

The obligation of the Seller to consummate and complete the sale and purchase of the Reorient Target Shares and SPC Target Shares shall be subject to the execution and delivery of the share pledge agreement by the Management Team SPC in favour of the Seller, as security for financing of the purchase price for SPC Target Shares provided by the Seller.

The obligation of the Company to consummate and complete the sale and purchase of the Reorient Target Shares shall be subject to the fulfilment or written waiver at or prior to Completion of each of the following conditions:

- (a) Mr. Kim Jong Hoon James of the Target Company's management team remaining employed with the Target Company and not having served any notice period for termination of his employment; and
- (b) the Target Company not having incurred any obligation under key person provisions contained in the organisation or governing agreements of the funds managed or advised by it to give any notice, seek consent or replace any key person under such provisions.

Completion

Completion shall take place on the second business day when all the conditions precedent have been fulfilled (or waived) or such other date as the parties may agree. Completion of the purchase of the Reorient Target Shares and the purchase of the SPC Target Shares shall take place simultaneously.

Upon Completion, the Target Company shall be accounted for as a jointly-controlled entity in the consolidated financial statements of the Company.

Put Option

Pursuant to the Share Purchase Agreement, the Seller irrevocably grants a put option to each of (i) the Company (in relation to the Reorient Target Shares); and (ii) the Management Team SPC (in relation to SPC Target Shares). Each put option shall be exercisable once whereby the Company or (as the case may be) the Management Team SPC may require the Seller to purchase all but not some of the Reorient Target Shares or (as the case may be) the SPC Target Shares.

The put option shall be effective upon Completion and is exercisable:

- (a) during the period commencing on the date falling 1 day after the third anniversary of the Completion Date and ending on the date falling 1 month thereafter; and
- (b) in respect of the put option granted to the Company only, the put option is, in addition, exercisable at any time during the period commencing on the Completion Date and ending on the date falling on the third anniversary of the Completion Date if (i) Mr. Kim Jong Hoon James ceases to be employed with the Company; or (ii) Mr. Kim Jong Hoon James ceases to hold at least 50% of the issued shares, voting rights and economic interests in the Management Team SPC.

The purchase price payable by the Seller for such shares pursuant to the put option shall be the purchase price paid by the Company or (as the case may be) the Management Team SPC under the Share Purchase Agreement plus interest at the rate equal to 2.72% per annum accrued from the Completion Date to the date of completion of the sale and purchase of shares in the Target Company pursuant to the put option.

No further cash consideration is payable by the Company or the Management Team SPC in respect of the grant of their respective put options.

SHAREHOLDERS' AGREEMENT

The Company, the Management Team SPC, the Seller, Korea Investment & Securities Co., Ltd. and the Target Company have also entered into a shareholders' agreement to regulate their relationship as shareholders of the Target Company. The shareholders' agreement shall take effect only upon Completion.

At Completion, the board of directors of the Target Company shall consist initially of three directors, whereby one director will be nominated by the Company and one director will be nominated by the Management Team SPC.

Any further financing to be provided to the Target Company by its shareholders shall be subject to unanimous consent of all shareholders.

INFORMATION ON THE SELLER, THE MANAGEMENT TEAM SPC AND THE TARGET COMPANY

The Seller is a company incorporated in Korea principally engaged in the manufacture of automotive products.

The Management Team SPC is a special purpose vehicle incorporated in the British Virgin Islands principally engaged in investment holdings.

The Target Company, EQ Partners Co., Ltd., is a private equity investment firm based in Seoul, specialising in infrastructure and utility sectors and growth equity investments in Korea and other countries. The Target Company has assets under management reaching approximately US\$800 million and portfolio companies located in Korea and other countries.

The table below sets out the net loss of the Target Company (before and after tax) for each of the two financial years ended 31 December 2012 and 31 December 2011, based on unaudited accounts of the Target Company reviewed by independent auditors in accordance with auditing standards generally accepted in Korea for the year ended 31 December 2012:

	For the year ended 31 December 2012	For the year ended 31 December 2011
	<i>KRW ('000)</i>	<i>KRW ('000)</i>
Net profit (loss) before taxation	(614,875)	(1,570,695)
Net profit (loss) after taxation	(365,790)	(1,408,021)

Based on unaudited accounts of the Target Company reviewed by independent auditors in accordance with auditing standards generally accepted in Korea for the year ended 31 December 2012, the net asset value of Target Company as at 31 December 2012 was KRW12,854,164,494 (approximately HK\$92,549,984).

REASONS FOR AND THE BENEFIT OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial services including securities trading, corporate finance services and consulting services.

The Acquisition is part of the Group's strategy to expand its network of potential clients, investors and investees. Korea is a key market for the Group on account of its financial and strategic buyers, who are among the most active in Asia. As well as the potential direct economic benefits of the Acquisition to the finances of the Group, this transaction will allow the Group to build upon the existing platform of the Target Company to strengthen deal-flow and client network for the financial services businesses operated by its principal subsidiaries. Additionally, the transaction is expected to assist the Group to further develop its asset management capabilities as it continues to expand its product and service offerings in the region.

The Directors consider that the terms of the Acquisition are fair and reasonable and that the Company's participation in the Acquisition is in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Acquisition is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

- “Acquisition” : means the purchase of the Reorient Target Shares by the Company pursuant to the Share Purchase Agreement
- “Company” : means Reorient Group Limited, a corporation duly organised and existing under the laws of Hong Kong and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 376)
- “Completion” : means the completion of the sale and purchase of the Reorient Target Shares and the SPC Target Shares pursuant to the Share Purchase Agreement
- “Completion Date” : means the date of Completion
- “Directors” : means the directors of the Company
- “Korea” : means the Republic of Korea
- “Listing Rules” : means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
- “Management Team SPC” : means Ariel Capital Partners Limited, a corporation duly organised and existing under the laws of the British Virgin Islands
- “Reorient Target Shares” : means the 74,250 common shares in the Target Company to be acquired by the Company pursuant to the Share Purchase Agreement
- “Seller” : means Dongah Tire and Rubber Co., Ltd., a corporation duly organised and existing under the laws of Korea

- “Share Purchase Agreement” : means the share purchase agreement dated 15 February 2013 entered into by the Company, the Management Team SPC and the Seller
- “SPC Target Shares” : means the 59,400 common shares in the Target Company to be acquired by the Company pursuant to the Share Purchase Agreement
- “Stock Exchange” : means The Stock Exchange of Hong Kong Limited
- “Target Company” : means EQ Partners Co., Ltd., a corporation duly organised and existing under the laws of Korea
- “HK\$” : means Hong Kong dollar, the lawful currency of Hong Kong Special Administrative Region
- “KRW” : means Korean won, the lawful currency of Korea
- “US\$” : means United States dollar, the lawful currency of the United States of America

For illustration purposes only, an exchange rate of KRW1.00 to HK\$0.0072 is used in this announcement. No representation is made that any amount in HK\$ or KRW is or could have been or could be converted at such rate or at any other rate or at all.

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

Hong Kong, 18 February 2013

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), 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).