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REORIENT GROUP LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 376)

ANNOUNCEMENT

Reference is made to the announcement published by REORIENT Group Limited (the “Company”, and its subsidiaries, the “Group”) on 19 December 2014 (the “Announcement”). Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Announcement. The board of directors of the Company (the “Board”) would like to provide further information as set out below.

The Listco is KuangChi Science Limited (stock code: 439)(“KuangChi Science”). KuangChi Science and its subsidiaries are principally engaged in (i) novel space services and other innovative technology business; (ii) the manufacture and sale of paper packaging products and paper gift items and the printing of paper promotional materials; and (iii) property investment. The Target is Martin Aircraft Company Limited (“Martin”), a company incorporated in New Zealand which is principally engaged in the research and development of jetpacks.

The services provided by the Group to KuangChi Science under the Agreement include advising on the structuring and negotiation of the terms of the agreement entered into between KuangChi Science and Martin in respect of the Possible Transaction (the “Investment Agreement”) and any Listing Rules compliance related advisory services. Subject to the fulfillment or waiver of the conditions set out in the Investment Agreement, the Consideration Shares will be issued and allotted to the Company or its associates conditional on (i) compliance with all applicable laws and regulatory requirements; and (ii) completion of KuangChi Science’s subscription of new securities of Martin under the Investment Agreement (the “Subscription”). The Consideration Shares will rank pari passu in all respects with all other existing ordinary shares in Martin.

The issue price of the Consideration Shares is AUD0.4 per share. The Consideration Shares will be paid in full by KuangChi Science and will not be paid by the Group. There will be altogether 11,686,364 Consideration Shares all of which will be issued and allotted to the Group. Martin has issued a supplementary prospectus as a result of the entering into of the Investment Agreement (the “Supplementary Prospectus”). Based on the Supplementary Prospectus, the offer of the IPO has been extended to 19 January 2015 and the trading of Martin’s shares on the Australian Stock Exchange is currently expected to commence on 20 February 2015. No fee will be payable to the Group in respect of this engagement in the event that the Subscription does not proceed.

The issue price of the Consideration Shares was arrived at after arm’s length negotiation between the parties having taken into consideration the issue price of the IPO of Martin’s shares and the resources committed and to be committed by the Group in respect of the engagement. The Board considered that the terms of the Agreement, including the issue price of the Consideration Shares, were fair and reasonable and in the interest of the Company and its shareholders as a whole.

The Group expects that its holding in the Consideration Shares will be recorded as “held for trading” in the consolidated statement of financial position of the Group. Any difference between the carrying value of the Group’s holding in Martin and the estimated market value of such holding as at the end of the reporting period will be included in the Group’s consolidated income statement.

Completion of the Possible Transaction is subject to the fulfillment or waiver (as applicable) of a number of conditions precedent and/or approvals and the Possible Transaction therefore may or may not be completed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
REORIENT Group Limited
Ko Chun Shun, Johnson
Chairman

Hong Kong, 31 December 2014

As at the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson, Mr. Jason Boyer, Mr. Brett McGonegal, Mr. Chen Shengjie, Ms. Ko Wing Yan, Samantha and Mr. Tsoi Tong Hoo, Tony (who are executive directors), Mr. Dorian M. Barak (who is a non-executive director), and Mr. Liu Zhengui, Mr. Ding Kebai, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP (who are independent non-executive directors).