



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

3 May 2016

ANNOUNCEMENT

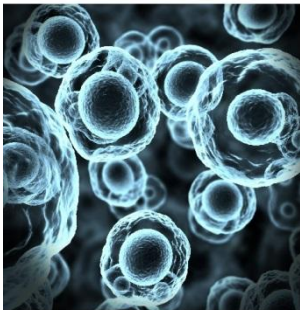
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PROPOSED SHARE CONSOLIDATION AND ESTABLISHMENT OF A NEW EMPLOYEE SHARE OPTION SCHEME

SUMMARY

The Board proposes that: (i) every ten (10) Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of a nominal or par value of US\$0.10 each, with fractional entitlements be rounded down to the nearest integral number of Consolidated Shares; and (ii) every ten (10) unclassified shares of a nominal or par value of US\$0.01 each which may be issued as Shares or as Deferred Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) unclassified share of a nominal or par value of US\$0.10 each which may be issued as a Consolidated share or as a Consolidated Deferred Share.

The Board also proposes that a new employee share option scheme be established.





The board lot size for trading of the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares upon the Share Consolidation taking effect.

The Consolidated Shares and the Consolidated Deferred Shares shall rank pari passu in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares and non-voting convertible deferred shares contained in the articles of association of the Company. The Share Consolidation will not result in any change in the rights of the Shareholders.

The Share Consolidation will take effect, and trading in the Consolidated Shares will commence, on the next Business Day immediately following the satisfaction of the conditions set out in this announcement.

The Circular containing further details of the Share Consolidation and the establishment of the Share Option Scheme (2016), together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 20 May 2016.

The Share Consolidation

The Board proposes that:

- (i) every ten (10) Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of a nominal or par value of US\$0.10 each; and
- (ii) every ten (10) unclassified shares of a nominal or par value of US\$0.01 each which may be issued as Shares or as Deferred Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) unclassified share of a nominal or par value of US\$0.10 each which may be issued as a Consolidated share or as a Consolidated Deferred Share.

Fractional entitlements will be rounded down to the nearest integral number of the Consolidated Shares.

The board lot size for trading of the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares upon the Share Consolidation taking effect.



1. Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$235,500,000 comprising: (a) 23,000,000,000 Shares of US\$0.01 each; and (b) 550,000,000 unclassified shares of US\$0.01 each (which may be issued as Shares or Deferred Shares), of which 17,372,511,821 Shares have been issued and fully paid or credited as fully paid.

Upon the Share Consolidation taking effect, and assuming that no further Shares will be issued and allotted or repurchased prior to the effective date of the Share Consolidation, the authorised share capital of the Company will remain at US\$235,500,000 but will comprise (i) 2,300,000,000 Shares of US\$0.10 each; and (b) 55,000,000 unclassified shares of US\$0.10 each (which may be issued as Consolidated Shares or Consolidated Deferred Shares), of which around 1,737,251,182 Consolidated Shares will be in issue (subject to the effect of the rounding down of fractional entitlements of individual Shareholders).

2. Conditions for the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing by the Shareholders at the Extraordinary General Meeting of an ordinary resolution approving the Share Consolidation; and
- (ii) the Listing Committee of the HK Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will take effect, and trading in the Consolidated Shares will commence, on the next Business Day immediately following the satisfaction of the above conditions.

3. Status of the Consolidated Shares and the Consolidated Deferred Shares

The Consolidated Shares and the Consolidated Deferred Shares shall rank pari passu in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares and non-voting convertible deferred shares contained in the articles of association of the Company. The Share Consolidation will not result in any change in the rights of the Shareholders.

An application will be made to the Listing Committee of the HK Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue. No application



is required to be sought from any other stock exchange for the listing of, and permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the HK Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the HK Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the HK Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

4. Board lot size

The existing board lot of 10,000 Shares will remain unchanged upon the Share Consolidation taking effect. The value of the current board lot, based on the closing price of HK\$0.042 per Share on the date of this announcement, is HK\$420.

Upon the Share Consolidation taking effect, the expected value of each board lot, based on the closing price of HK\$0.042 per Share on the date of this announcement, would be increased to about HK\$4,200.

5. Odd lot arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed BOCI Securities Limited to provide matching services to those Shareholders who wish to top up or sell their shareholdings of odd lots of the Consolidated Shares for the period from Friday, 24 June 2016 to Friday, 15 July 2016 (both days inclusive).

Holders of the Consolidated Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr Law Pak Hong, Passe of BOCI Securities Limited at 18th Floor, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (Telephone number: (852) 2718 9663) during the aforesaid period. Holders of the Consolidated Shares in odd lots should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is on a best effort basis and successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.



BOCI Securities Limited is a third party independent of the Company and is not a connected person of the Group.

6. Free exchange of share certificates

After the Share Consolidation has become effective, Shareholders may, during business hours from Friday, 10 June 2016 to Tuesday, 19 July 2016 (both days inclusive), submit their Existing Share Certificates for the Shares in pink colour to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificates for the Consolidated Shares in green colour at the expense of the Company. Thereafter, Existing Share Certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time prescribed in the HK Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

Existing Share Certificates will continue to be good evidence of legal title but will cease to be marketable with effect from 9:00 a.m. on Monday, 18 July 2016 and will not be acceptable for delivery, trading and settlement purposes.

It is expected that New Share Certificates for Consolidated Shares will be available for collection within a period of ten (10) Business Days after the submission of the Existing Share Certificates.

7. Reasons for the Share Consolidation

Following and as a result of completion of the acquisition of Plethora Solutions Holdings plc in March of this year, the Company's issued share capital increased to 17,372,511,821 Shares, from 3,485,730,523 Shares, a 398 per cent increase. This is a disproportionately large number of Shares in issue, given the size of the Company, and, as such, a Share Consolidation is considered appropriate.

The Share Consolidation will increase the nominal value of the Shares and it is expected to bring about corresponding upward adjustment in the trading price of the Consolidated Shares. In addition, the Share Consolidation will increase the market value per board lot of the Shares, which will reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, and the Company believes that the Share Consolidation will make investing in Shares more attractive to a broader range of institutional and professional investors and other members of the



investing public. As such, the Board believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company.

Save for the expenses to be incurred by the Company in implementing the Share Consolidation, the Share Consolidation has no impact on the underlying assets and liabilities, business operations, management or financial position of the Group or the proportionate interests of the Shareholders in the Company and their respective voting rights. The Board considers that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders at a whole.

8. Expected timetable

Set out below is the expected timetable for the implementation of the Share Consolidation and the relevant trading arrangements, which is subject to satisfaction of the conditions set out in the paragraph headed "Conditions for the Share Consolidation" above:

	2016 <i>(Hong Kong dates and time)</i>
Despatch of the Circular (including the notice of the Extraordinary General Meeting and the related form of proxy)	on or before Friday, 20 May
Latest time for lodging the form of proxy for the Extraordinary General Meeting	11:45 a.m. on Monday, 6 June
Extraordinary General Meeting	11:45 a.m. on Wednesday, 8 June
Publication of an announcement of the result of the Extraordinary General Meeting	Wednesday, 8 June
Effective date of the Share Consolidation	Friday, 10 June
First day of the free exchange of the Existing Share Certificates for New Share Certificates for the Consolidated Shares	Friday, 10 June
Dealings in the Consolidated Shares	9:00 a.m. on Friday, 10 June



commence

Original counter for trading in board lots of 10,000 Shares temporarily closes 9:00 a.m. on Friday, 10 June

Temporary counter for trading in board lots of 1,000 Consolidated Shares (in the form of Existing Share Certificates) opens 9:00 a.m. on Friday, 10 June

Original counter for trading in board lots of 10,000 Consolidated Shares (only in the form of New Share Certificates for the Consolidated Shares) re-opens 9:00 a.m. on Friday, 24 June

Parallel trading in the Shares and Consolidated Shares (in the form of Existing Share Certificates and New Share Certificates) commences 9:00 a.m. on Friday, 24 June

Odd lot trading commences 9:00 a.m. on Friday, 24 June

Temporary counter for trading in board lots of 1,000 Consolidated Shares (in the form of Existing Share Certificates) closes 4:00 p.m. on Friday, 15 July

Parallel trading in the Shares and Consolidated Shares (in the form of Existing Share Certificates and New Share Certificates) closes 4:00 p.m. on Friday, 15 July

Odd lot trading closes 4:00 p.m. on Friday, 15 July

Last day for the free exchange of the Existing Share Certificates for New Share Certificates 4:30 p.m. on Tuesday, 19 July

Shareholders and investors will be informed if there is any change made to the expected timetable by further announcement of the Company.



9. Adjustment to the Options

The rules of the Share Option Scheme (2002) (the “**Scheme**”), which already expired on 15 November 2012 but with the provisions of its rules remaining in full force and effect to the extent necessary to give effect to the exercise of any Options granted and remaining outstanding prior to the date of expiry, provide that upon the occurrence of certain relevant events (including a share consolidation), the number or nominal amount of Shares comprised in each Option (so far as unexercised) and/or the option price thereunder and/or the number of Shares issued or issuable or which may be issued under the Scheme may be adjusted in such manner as the Directors may deem appropriate subject to the receipt by them of a statement in writing from the Auditor (acting as experts and not as arbitrators) that in their opinion the adjustments proposed are fair and reasonable; provided always that no increase shall be made in the aggregate subscription price payable on the exercise of any Option in respect of the total Shares then comprised therein and provided further that no adjustment shall be made if the same would result in an eligible employee not being given the same rights over the same proportion (or as near thereto as is reasonably practicable) of the issued share capital of the Company as that to which he was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value.

As at the date of this announcement, there are outstanding and vested Options entitling the holders to subscribe for an aggregate of 61,142,132 Shares at exercise prices ranging from HK\$0.325 to HK\$1.152 per Share under the Share Option Scheme (2002). From the expiry of the Share Option Scheme (2002), no new Options have been granted under the Scheme.

Establishment of the Share Option Scheme (2016)

Following the expiry of the Share Option Scheme (2002) in November 2012 and the termination of the Long Term Incentive Plan 2007 in May 2013, the Company does not have any employee share incentive scheme. Therefore, the Company proposes that a new employee share option scheme, to be named as the “Share Option Scheme (2016)”, be established under Chapter 17 of the HK Listing Rules.

The establishment of the Share Option Scheme (2016) is conditional upon:

- (i) the passing by the Shareholders at the Extraordinary General Meeting of an ordinary resolution approving the establishment of the Share Option Scheme (2016); and



- (ii) the Listing Committee of the HK Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme (2016).

An application will be made to the Listing Committee of the HK Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme (2016).

General

Both the Share Consolidation and the establishment of the Share Option Scheme (2016) are conditional upon the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting.

An application will be made to the Listing Committee of the HK Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares and the Consolidated Shares to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme (2016).

The Circular containing further details of the Share Consolidation and the establishment of the Share Option Scheme (2016), together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 20 May 2016.

To the best of knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholders will be required under the HK Listing Rules to abstain from voting at the Extraordinary General Meeting.

Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

“ Auditor ”	BDO Limited, being the auditor of the Company
“ Board ”	the board of directors of the Company
“ Business Day(s) ”	a day (other than a Saturday or Sunday or a public holiday in Hong Kong or any day on which either a Typhoon Signal Number 8 or above or a “Black” Rainstorm Warning Signal at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong) on which banks in Hong Kong are open for business



“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the shareholders’ circular to be issued by the Company and despatched to the Shareholders in relation to the Share Consolidation and the establishment of the Share Option Scheme (2016)
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares (and upon the Share Consolidation taking effect, the Consolidated Shares) of which are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Connected person”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Consolidated Deferred Share(s)”	the non-voting convertible deferred shares of US\$0.10 each in the capital of the Company upon the Share Consolidation taking effect
“Consolidated Share(s)”	the ordinary shares, with voting rights, of US\$0.10 each in the capital of the Company upon the Share Consolidation taking effect, which will be listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Deferred Share(s)”	the non-voting convertible deferred shares of US\$0.01 each in the capital of the Company
“Director(s)”	the directors of the Company
“Existing Share Certificate(s)”	the certificates for the Shares
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held for approving the Share Consolidation and the establishment of the Share Option Scheme (2016)
“Group”	the Company and its subsidiaries



“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Long Term Incentive Plan 2007”	the long term incentive plan of the Company named the “Long Term Incentive Plan 2007” established with the Shareholders’ approval on 8 December 2007, which was terminated on 31 May 2013
“New Share Certificate(s)”	the certificates for the Consolidated Shares
“Option(s)”	the options granted and exercisable under the Share Option Scheme (2002)
“Share Consolidation”	the proposed consolidation of: (i) every ten (10) Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of a nominal or par value of US\$0.10 each; and (ii) every ten (10) unclassified shares of a nominal or par value of US\$0.01 each which may be issued as Shares or as Deferred Shares of a nominal or par value of US\$0.01 each in the issued and unissued share capital of the Company into one (1) unclassified share of a nominal or par value of US\$0.10 each which may be issued as a Consolidated share or as a Consolidated Deferred Share
“Share Option Scheme (2002)”	the employee share option scheme of the Company named the “Share Option Scheme (2002)” established with the Shareholders’ approval on 15 November 2002, which already expired on 15 November 2012 with the provisions of its Rules remaining in full force and effect to the extent necessary to give effect to the exercise of any Options granted and remaining outstanding prior to the date of the expiry
“Share Option Scheme	a proposed new employee share option scheme of the



(2016)	Company, to be named the “Share Option Scheme (2016)”, to be established with the Shareholders’ approval and in compliance with Chapter 17 of the HK Listing Rules at the Extraordinary General Meeting
“Shareholder(s)”	the holders of the Shares and, upon the Share Consolidation taking effect, the Consolidated Shares
“Share(s)”	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“US\$”	United States dollars, the lawful currency in the United States

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

James Mellon (*Co-Chairman*)^{*}
Stephen Dattels (*Co-Chairman*)^{*}
Jamie Gibson (*Chief Executive Officer*)
David Comba[#]
Julie Oates[#]
Mark Searle[#]
Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 3 May 2016