



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

9 April 2009

ANNOUNCEMENT

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DISCLOSEABLE AND CONNECTED TRANSACTION: REPURCHASE OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES FROM THE REMAINING RCPS HOLDERS (INCLUDING CERTAIN DIRECTORS)

Summary

In accordance with the Terms and Conditions, the Company made an Offer on 9 April 2009 to each of the Remaining RCPS Holders to repurchase all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, which is open for acceptance by the Remaining RCPS Holders until 5:00 pm (Hong Kong time) on Thursday, 16 April 2009 and is subject to the conditions set out in this announcement.

Completion of the Transaction is expected to take place on 25 June 2009, when payment of the repurchase proceeds of US\$3.5 million (or approximately HK\$27.3 million) in cash will be made in full by the Company to the Remaining RCPS Holders. Before then, the Remaining RCPS Holders are entitled under the Terms and Conditions to receive a semi-annual fixed cumulative preferential dividend payment in respect of a total or aggregate amount of US\$148,750 (or approximately HK\$1,160,250), which is payable on 31 May 2009.





The Transaction constitutes a discloseable and connected transaction of the Company under Chapters 14 and 14A of the HK Listing Rules.

An EGM will be convened by the Company inviting Independent Shareholders to consider and, if thought fit, approve: (A) the Transaction; and (B) conditional upon the consummation of the Transaction, (i) the cancellation of the 6,250 RCPSs which, following consummation of the Transaction, have not been taken, or agreed to be taken, by any person, and the diminishment of the amount of the Company's authorised share capital by the amount of the RCPSs so cancelled; and (ii) the amendment to the Articles of Association by the deletion of the Relevant Article.

Following consummation of the Transaction, the repurchased RCPSs will be cancelled.

The Company will issue a circular containing further details of the Transaction for Shareholders' information, which will include a letter from the IFA setting out their advice and recommendations to the Independent Shareholders.

(Hong Kong, 9 April 2009) – Regent Pacific Group Limited announces its offer to each of the Remaining RCPS Holders to repurchase all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, comprising the par value of US\$0.01 and a premium of US\$999.99, for an aggregate amount of US\$3.5 million (or approximately HK\$27.3 million) in cash.

Redeemable Convertible Preference Shares

On 11 October 2006, the Company entered into the Subscription Agreement with the Remaining RCPS Holders and other subscribers relating to the issue by the Company of, and the subscription by the Remaining RCPS Holders and other subscribers for, 6,250 dividend non-voting Redeemable Convertible Preference Shares at US\$1,000 per share in cash. The RCPSs may give rise to the issue, in aggregate, of 168,103,449 Shares on conversion at a conversion price of HK\$0.290 per share, subject to adjustment. Each RCPS is entitled to a fixed cumulative preferential dividend of 8.5% per annum, payable semi-annually, calculated on the issue amount (or total subscription price) of the RCPSs.

The issue and allotment of the RCPSs and the Shares falling to be issued upon conversion of the RCPSs, which constituted a connected transaction of the Company under Chapter 14A of the HK Listing Rules and were set out in detail in the announcement and circular issued by the Company on 7 September 2006 and 27 October 2006 respectively, were approved by the independent and disinterested shareholders of the Company at its extraordinary general meeting held on 23 November 2006.



The 6,250 RCPSs were issued and allotted to the Remaining RCPS Holders and other subscribers on 30 November 2006 on the Terms and Conditions. No application was made to the HK Stock Exchange or any other stock exchange for the listing of, and permission to deal in, the RCPSs. However, approval has been obtained from the HK Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the RCPSs. Unless previously redeemed, converted or purchased and cancelled, the Company will, subject to the relevant legal requirements, redeem each RCPS at 100% of its issue amount on 30 November 2011.

Since the issue and allotment of the RCPSs, no adjustments were made to the conversion price of HK\$0.290.

Prior to the date of this announcement, 2,750 RCPSs were converted into 73,965,518 Shares. Accordingly, as at the date of this announcement, there are 3,500 RCPSs outstanding and held by the Remaining RCPS Holders, which may be convertible into 94,137,931 Shares.

The Offers and the Transaction

In accordance with the Terms and Conditions, the Company made an Offer on 9 April 2009 to each of the Remaining RCPS Holders to repurchase all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, comprising the par value of US\$0.01 and a premium of US\$999.99, for an aggregate amount of US\$3.5 million (or approximately HK\$27.3 million) in cash. The Offers are open for acceptance by the Remaining RCPS Holders until 5:00 pm (Hong Kong time) on Thursday, 16 April 2009 and are conditional upon:

- (a) the Company having received by the close of the Offers, valid acceptances (satisfactory to the Company) in respect of all the issued and outstanding RCPSs; and
- (b) the Transaction being approved at the EGM by the Independent Shareholders (see below).

Payment of the repurchase proceeds will be made in full by the Company to the Remaining RCPS Holders, upon satisfaction of the above conditions, at completion of the Transaction which is expected to take place on 25 June 2009. Before then, the Remaining RCPS Holders are entitled under the Terms and Conditions to receive a semi-annual fixed cumulative preferential dividend payment in respect of a total or aggregate amount of US\$148,750 (or approximately HK\$1,160,250), which is payable on 31 May 2009.

Following consummation of the Transaction, the repurchased RCPSs will be cancelled.

If any of the conditions are not satisfied or, to the extent possible or appropriate, waived by the Company, on or before 30 September 2009, the Company shall be entitled to terminate any agreement between the Remaining RCPS Holders and the Company, whereupon all the liabilities of the Remaining RCPS Holders and the Company thereunder shall cease and neither



of the Remaining RCPS Holders nor the Company shall have any claim against each other in respect of the Offers.

Reasons for entering into the Transaction

The outstanding RCPSs are entitled to a fixed cumulative preferential dividend of 8.5% per annum, payable semi-annually, calculated on their issue amount (or total subscription price). Accordingly, dividends in an aggregate amount of US\$743,750 (or approximately HK\$5,801,250) will be accrued after 31 May 2009 and before the RCPSs mature and are redeemed at 100% of their issue amount of US\$3.5 million (or approximately HK\$27.3 million) on 30 November 2011.

The repurchase of the RCPSs can save the Company from the payment of the dividends of up to US\$743,750 (or approximately HK\$5,801,250) and, further, can save the existing Shareholders from having their interests diluted upon conversion of the RCPSs into Shares.

The Directors, including all disinterested Directors, consider the Transaction to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Source of fund

The repurchase proceeds will be paid from the working capital of the Company.

Cancellation of RCPSs and decrease of authorised share capital

The Company's authorised share capital is currently US\$105,500,062.50, comprising: (i) 10,000,000,000 Shares; (ii) 550,000,000 unclassified shares of US\$0.01 each, which may be issued as Shares or as non-voting convertible deferred shares of US\$0.01 each; and (iii) 6,250 RCPSs. Conditional upon consummation of the Transaction, it is proposed that the 6,250 RCPSs which, following such consummation, have not been taken, or agreed to be taken, by any person, be cancelled and the amount of the Company's authorised share capital be diminished by the amount of the RCPSs so cancelled (being US\$62.50).

Following the cancellation of 6,250 RCPSs, the authorised share capital of the Company shall be US\$105,500,000, comprising: (i) 10,000,000,000 Shares; and (ii) 550,000,000 unclassified shares of US\$0.01 each, which may be issued as Shares or as non-voting convertible deferred shares of US\$0.01 each.



Amendment to Articles of Association

The Terms and Conditions are set out in the Relevant Article. Accordingly, subject to the approval and consummation of the Transaction, the Articles of Association will be amended by the deletion of the Relevant Article.

Discloseable and connected transaction

In view of the fact that the proceeds to be used to repurchase all the RCPSs under the Transaction, in the amount of US\$3.5 million (or approximately HK\$27.3 million), exceed 5% but less than 25% of the Company's market capitalisation, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Further, given that each of David Comba, James Mellon, Julie Oates, Mark Searle and Jayne Sutcliffe is a Director and is therefore a connected person of the Company, the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the HK Listing Rules. Anderson Whamond resigned as a director of the Company on 12 February 2008 and is no longer a connected person of the Company. Yet, in view of the fact that Mr Whamond is also a holder of RCPSs and a member of the Concert Party Group (the other members of which hold RCPSs), he is not considered to be an independent shareholder in respect of the Transaction and will therefore be required to abstain from voting in respect of the relevant resolutions at the EGM.

The purpose of this announcement is to provide the Shareholders with information on the details of the Transaction in accordance with the HK Listing Rules. The Company will issue a circular containing further details of the Transaction for Shareholders' information.

Extraordinary General Meeting

An EGM will be convened by the Company inviting Independent Shareholders to consider and, if thought fit, approve: (A) the Transaction; and (B) conditional upon the consummation of the Transaction, (i) the cancellation of the 6,250 RCPSs which, following consummation of the Transaction, have not been taken, or agreed to be taken, by any person, and the diminishment of the amount of the Company's authorised share capital by the amount of the RCPSs so cancelled; and (ii) the amendment to the Articles of Association by the deletion of the Relevant Article.

Given the interests held by the Remaining RCPS Holders in the Transaction, all of them (and their respective associates) will be required to abstain from voting in respect of the resolutions to be presented at the EGM.

No other shareholders shall be required to abstain from voting in respect of any of the resolutions.



Independent Financial Adviser

Each of the Company's independent non-executive Directors, namely David Comba, Julie Oates and Mark Searle, holds RCPSs for his/her personal interests, and is therefore considered to have material interests in the Transaction. Accordingly, the Company has not established an independent committee of the Board to advise the Independent Shareholders on the Transaction.

Altus Capital Limited has been appointed by the Company as its independent financial adviser to advise the Independent Shareholders on the Transaction. A letter from the IFA setting out their advice and recommendations to the Independent Shareholders will be included in the circular to be issued by the Company relating to the Transaction.

Principal business activity of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused on the Asian region. It explores for and mines copper, zinc, gold, silver, lead and thermal coal. Its principal assets are located in Yunnan Province, Inner Mongolia and Xinjiang, China.

Definitions

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

“Articles of Association”	the articles of association of the Company
“associate(s)”	shall have the meaning defined in the HK Listing Rules
“Board”	the board of directors of the Company
“China”	Peoples' Republic of China
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“Concert Party Group”	the group of Shareholders, comprising (i) James Mellon; and (ii) Jayne Sutcliffe, both being Directors, and (iii) Anderson Whamond, who are regarded as acting in concert for the



purpose of the HK Takeovers Code and have registered their aggregate holding as at 19 October 2001 as a “concert party group” pursuant to the transitional provisions in Rule 26.6 of the HK Takeovers Code

“connected person(s)”

shall have the meaning defined in Chapter 14A of the HK Listing Rules

“Director(s)”

the directors of the Company

“Extraordinary General Meeting” or “EGM”

the extraordinary general meeting to be convened by the Company to seek approval from the Independent Shareholders for: (A) an ordinary resolution in relation to the Transaction (being a connected transaction); and (B) conditional upon the consummation of the Transaction, (i) an ordinary resolution in relation to the cancellation of the 6,250 RCPSs which, following consummation of the Transaction, have not been taken, or agreed to be taken, by any person, and the diminishment of the amount of the Company’s authorised share capital by the amount of the RCPSs so cancelled; and (ii) a special resolution in relation to the amendment to the Articles of Association by the deletion of the Relevant Article

“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 Takeovers Code”

The Hong Kong Code on Takeovers and Mergers issued by the Hong Kong Securities and Futures Commission, as amended from time to time

“HK\$”

Hong Kong dollars, the lawful currency in Hong Kong

“Independent Financial Adviser” or “IFA”

Altus Capital Limited, being the independent financial adviser appointed by the Company to advise the Independent Shareholders on the Transaction

“Independent Shareholders”

the Shareholders excluding the Remaining RCPS Holders



“Offer(s)”	the conditional offer made by the Company on 9 April 2009 to each of the Remaining RCPS Holders to repurchase all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, which is open for acceptance by the Remaining RCPS Holders until 5:00 pm (Hong Kong time) on Thursday, 16 April 2009
“Redeemable Convertible Preference Share(s)” or “RCPS(s)”	the 8.5% dividend bearing non-voting redeemable convertible preference shares of US\$0.01 each issued and allotted by the Company on 30 November 2006 pursuant to the Subscription Agreement
“Remaining RCPS Holder(s)”	(i) David Comba; (ii) James Mellon; (iii) Julie Oates; (iv) Mark Searle; and (v) Jayne Sutcliffe, each being a Director, and (vi) Anderson Whamond, each of whom currently holds a beneficial interest in RCPSs, either in his/her personal interests or being a beneficiary of a trust
“Relevant Article”	Article 8A in the Articles of Association, setting out the rights attaching to the RCPSs
“Shareholder(s)”	the holders of the 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 OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“Subscription Agreement”	the subscription agreement dated 11 October 2006 entered into between the Company and, inter alia, each of the Remaining RCPS Holders
“Terms and Conditions”	the terms and conditions on which the RCPSs were issued, as set out in the Subscription Agreement
“Transaction”	the transaction being contemplated by the Company, involving the Company repurchasing from the Remaining RCPS Holders all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, comprising the par value of US\$0.01 and a premium of US\$999.99, for an aggregate amount of US\$3.5 million (or approximately HK\$27.3 million) in cash



“US\$” United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

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*)
Clara Cheung
David Comba[#]
Julie Oates[#]
Mark Searle[#]
Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 9 April 2009