

# REGENT PACIFIC GROUP LIMITED

## CODE FOR SECURITIES TRANSACTIONS FOR DIRECTORS AND EMPLOYEES OF THE REGENT PACIFIC GROUP

### Basic Principles

- 1 The new Rule 13.67 of The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**HK Stock Exchange**”), which took effect on 31 March 2004, provides that a listed issuer shall adopt rules governing dealings by directors in listed securities of the issuer on terms no less exacting than those of the revised Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules. The Model Code sets out the standard which the HK Stock Exchange requires the issuer and its directors to meet and any breach of such required standard will be a breach of the Listing Rules. The issuer may adopt its own code on terms no less exacting than those set out in the Model Code. Any breach of its own code will not be a breach of the Listing Rules unless it is also a breach of the required standard under the Model Code.
- 2 The Board of Directors (the “**Director(s)**” or the “**Board**”) of Regent Pacific Group Limited (“**RPG**” and collectively with its subsidiaries, the “**Regent Pacific Group**”) resolved on 31 March 2004 that a code of conduct (this “**Code**”) on exactly the terms and required standard set out in the Model Code be adopted with respect to securities transactions by its Directors (including executive, non-executive and independent Directors) and employees, which will form an integral part of the Regent Pacific Group’s Staff Handbook (the “**Staff Handbook**”) (for (i) executive Directors and employees and (ii) non-executive Directors respectively). Any breach of this Code will be regarded as a breach of the Listing Rules. Directors and employees must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with this Code.
- 3 It is highly desirable that executive Directors and employees of the Regent Pacific Group should hold securities in RPG.
- 4 Directors and employees wishing to deal in any securities of RPG must first have regard to the provisions of Part XIII and Part XIV of the Securities and Futures Ordinance with respect to insider dealing and market misconduct. However, there are occasions where Directors and employees should not be free to deal in RPG’s securities even though the statutory requirements will not be contravened.
- 5 Directors and employees who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules or any insider information must refrain from dealing in the securities of RPG as soon as they become aware of them or privy to them until the information has been announced. Directors who are privy to relevant negotiations or agreements or any inside information should caution those Directors and employees who are not so privy that there may be inside information and that they must not deal in the securities of RPG for a similar period.
- 6 In addition, a Director or an employee must not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person (even those to

whom he owes a fiduciary duty) or make any use of such information for the advantage of himself or others.

- 6A This Code was updated on 1 January 2009 in order to comply with the amendments made to the Model Code and the Listing Rules.
- 6B This Code was further updated on 10 December 2012 in order to comply with the amendments made to the Model Code and the Listing Rules consequential on the introduction of the statutory disclosure regime in respect of inside information under the new Part XIVA of the Securities and Futures Ordinance (the “**Inside Information Provisions**”). This revised Code shall take effect on **1 January 2013**, when the Insider Information Provisions become effective.

## **Interpretation**

- 7 For the purpose of this Code:
  - (a) “dealing” includes, subject to paragraph (d) below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of RPG or any entity whose assets solely or substantially comprise securities of RPG, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of RPG or any such entity, in each case whether or not for consideration and any agreements to do any of the foregoing, and “deal” shall be construed accordingly;
  - (b) “beneficiary” includes any discretionary object of a discretionary trust (where the Director or employee is aware of the arrangement) and any beneficiary of a non-discretionary trust;
  - (c) “securities” means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants), such as those described in Chapter 15A of the Listing Rules, issued in respect of the listed securities of RPG; and
  - (d) notwithstanding the definition of “dealing” in paragraph (a) above, the following dealings are not subject to the provisions of this Code:
    - (i) taking up of entitlements under a rights issue, bonus issue, capitalisation issue or other offer made by RPG to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing”;
    - (ii) allowing entitlements to lapse under a rights issue or other offer made by RPG to holders of its securities (including an offer of shares in lieu of a cash dividend);
    - (iii) undertakings to accept, or the acceptance of, a general offer for shares in RPG made to shareholders other than those that are concert parties (as defined under The Code on Takeovers and Mergers) of the offeror;

- (iv) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with any companies of the Regent Pacific Group before a period during which dealing is prohibited under this Code at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
  - (v) an acquisition of qualification shares where, under RPG's constitutional documents, the final date for acquiring such shares falls within a period when dealing is prohibited under this Code and such shares cannot be acquired at another time;
  - (vi) dealing where the beneficial interest or interests in the relevant security of RPG do not change;
  - (vii) dealing where a shareholder places out his existing shares in a "top-up" placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and
  - (viii) dealing where the beneficial ownership is transferred from another party by operation by law.
- 8 For the purpose of this Code, the grant to a Director or an employee of an option to subscribe or purchase RPG's securities shall be regarded as a dealing by him, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a Director or an employee on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

## **Rules**

### **A. Absolute Prohibitions**

- 1 A Director or an employee must not deal in RPG's securities at any time when he possesses inside information in relation to RPG, or where clearance to deal is not otherwise conferred upon him under rule B.8 of this Code.
- 2 A Director or an employee must not deal in the securities of RPG when by virtue of his position as a director of another listed issuer, he possesses inside information in relation to RPG's securities.
- 3 During the following period, a Director or an employee (where applicable) must not deal in any securities of RPG:
  - (a) A Director of RPG must not deal in any securities of RPG on any day on which its financial results are published and:
    - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below, and in any event, the Director must comply with the procedure in rules B.8 and B.9 of this Code.

RPG must notify the HK Stock Exchange in advance of the commencement of each period during which Directors are not allowed to deal under rule A.3(a) of this Code.

- (b) An employee (not being a RPG Director) must not deal in any securities of RPG during the period of 30 days immediately preceding the publication of the annual results, half-year results and quarterly results (if any) or, if shorter, the period from the end of the relevant financial year or the relevant half-year or quarterly period up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below, and in any event, the employee must comply with the procedure in rules B.8 and B.9 of this Code.

*Note: Directors and employees should note that the period during which they are not allowed to deal under rule A.3 of this Code will cover any period or delay in the publication of a results announcement.*

- 4 Where a Director or an employee is a sole trustee, the provisions of this Code will apply to all dealings of the trust as if he were dealing on his own account (unless the Director or the employee is a bare trustee and neither he nor any of his associates is a beneficiary of the trust, in which case the provisions of this Code will not apply).
- 5 Where a Director or an employee deals in the securities of RPG in his capacity as a co-trustee and he has not participated in or influenced the decision to deal in the securities and is not, and none of his associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his dealings.
- 6 The restrictions on dealings by a Director or an employee contained in this Code will be regarded as equally applicable to any dealings by the spouse, or by or on behalf of any minor child (natural or adopted), of the Director or employee and any other dealings in which for the purposes of Part XV of the Securities and Futures Ordinance he is or is to be treated as interested. It is the duty of the Director or employee, therefore, to seek to avoid any such dealing at a time when he himself is not free to deal.
- 7 Where a Director or an employee places investment funds comprising RPG's securities under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Director or employee himself in respect of any proposed dealings in RPG's securities.

## **B. Notification**

- 8 A Director or an employee must not deal in any securities of RPG without first notifying in writing the Director(s) or officer(s) (otherwise than himself) designated by the Board from time to time and named in the Staff Handbook for the purposes of approving securities dealings and receiving a dated written acknowledgement. In his own case, the designated Director or officer must first notify the Board at a Board meeting, or alternatively notify other designated Director or officer and receive a dated written acknowledgement before any dealing. In each case,
- (a) a response to a request for clearance to deal must be given to the relevant Director or employee within five business days of the request being made; and
  - (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

*Note: For the avoidance of doubt, the restriction under A.1 of this Code applies if inside information develops following the grant of clearance.*

- 9 The Compliance Officer of RPG must, as a minimum, provide for there to be a written record maintained by RPG that the appropriate notification was given and acknowledged pursuant to rule B.8 of this Code, and for the Director or employee concerned to have received written confirmation to that effect.
- 10 Any Director and employee of RPG who acts as trustee of a trust should ensure that his co-trustees are aware of the identity of any company of which he is a director so as to enable them to anticipate possible difficulties. A Director or an employee having funds under management must likewise advise the investment manager.
- 11 Any Director or employee who is a beneficiary, but not a trustee, of a trust which deals in RPG's securities, must endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he, in turn, may notify RPG. For this purpose, he must ensure that the trustees are aware of the listed issuers of which he is a director.
- 12 The register maintained in accordance with Section 352 of the Securities and Futures Ordinance should be made available for inspection at every meeting of the Board.
- 13 The Directors of RPG must, as the Board and individually, endeavour to ensure that any employee of RPG or director or employee of a subsidiary company who, because of his office or employment in RPG or a subsidiary, is likely to possess inside information in relation to the securities of RPG does not deal in those securities when he would be prohibited from dealing by this Code if he were a Director.

## **C. Exceptional Circumstances**

- 14 If a Director or an employee proposes to sell or otherwise dispose of RPG's securities under exceptional circumstances where the sale or disposal is otherwise prohibited under this Code, the Director/employee must, in addition to complying with the other provisions of this Code, comply with the provisions of rule B.8 of this Code regarding prior written notice and acknowledgement. The Director/employee must satisfy the designated Director(s) or officer(s) for the purposes of approving securities dealings that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the Director/employee before the director/employee can sell or dispose of the securities. RPG shall give written notice of

such sale or disposal to the HK Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. RPG shall publish an announcement in accordance with Rule 2.07C of the Listing Rules immediately after any such sale or disposal and state that the designated Director(s) or officer(s) is satisfied that there were exceptional circumstances for such sale or disposal of securities by the Director/employee. An example of the type of circumstances which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the Director/employee that cannot otherwise be satisfied.

**D. Disclosure**

- 15 In relation to securities transactions by Directors, RPG shall disclose in its annual and interim reports:
- (a) whether RPG has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code;
  - (b) having made specific enquiry of all Directors, whether its Directors have complied with, or whether there has been any non-compliance with, the required standard set out in the Model Code and this Code; and
  - (c) in the event of any non-compliance with the required standard set out in the Model Code, details of such non-compliance and an explanation of the remedial steps taken by RPG to address such non-compliance.

Revised and adopted by the Board of Directors of  
Regent Pacific Group Limited on 10 December 2012  
(to take effect on 1 January 2013)