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If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Regent Pacific Group Limited, you should, without delay, hand this document, together with the accompanying proxy form, to the purchaser or to the stockbroker, bank manager or other agent through whom the sale was effected for transmission to the purchaser.

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REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

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

A notice convening the extraordinary general meeting of Regent Pacific Group Limited is set out in Pages 29 to 31 of this document. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company Secretary at the Company's principal place of business in Hong Kong as soon as possible but in any event not later than 10:30 am on Wednesday, 10 June 2009. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

29 April 2009

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DEFINITIONS

In this document, the following expressions have the following meanings unless the context requires 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” or the “PRC”	People’s 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
“EGM Notice”	the notice convening the Extraordinary General Meeting as set out in Pages 29 to 31 of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting convened to be held on Friday, 12 June 2009, the notice of which is set out in Pages 29 to 31 of this document, 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 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
“Group”	the Company and its subsidiaries

DEFINITIONS

“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, a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, 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
“Latest Practicable Date”	Friday, 24 April 2009, being the latest practicable date prior to the printing of this document for ascertaining certain information for inclusion in this document
“Long Term Incentive Plan 2007”	the long term incentive plan of the Company named the “Long Term Incentive Plan 2007” established on 8 December 2007
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the HK Listing Rules, as amended from time to time
“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 was open for acceptance by the Remaining RCPS Holders until 5:00 pm (Hong Kong time) on Thursday, 16 April 2009
“Option(s)”	the options granted and exercisable under the Share Option Scheme (2002)
“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
“Relevant Article”	Article 8A in the Articles of Association, setting out the rights attaching to the RCPSs

DEFINITIONS

“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
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency in China
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“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
“Share Option Scheme (2002)”	the share option scheme of the Company named the “Share Option Scheme (2002)” established on 15 November 2002
“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 dominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80 and vice versa, and amounts dominated in RMB have been translated, for the purpose of illustration only, into US\$ using the exchange rate of RMB 6.8277 = US\$1.00.

LETTER FROM THE BOARD



REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

Executive Directors:

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

Non-Executive Directors:

James Mellon (*Co-Chairman*)

Stephen Dattels (*Co-Chairman*)

David Comba[#]

Julie Oates[#]

Mark Searle[#]

Jayne Sutcliffe

[#] *Independent Non-Executive Directors*

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Principal place of
business in Hong Kong:*

Suite 1401

Henley Building

5 Queen's Road Central

Hong Kong

29 April 2009

To the shareholders of Regent Pacific Group Limited

Dear Sir or Madam

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

1 INTRODUCTION

The Company announced on 9 April 2009 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.

LETTER FROM THE BOARD

This document provides shareholders with all the information reasonably necessary to enable them to make an informed decision as to whether to vote in favour of the following resolutions proposed at the Extraordinary General Meeting, as set out in detail in the EGM Notice:

- a. To approve the Transaction; and
- b. To approve, 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.

2 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 bearing 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 the Offers, 2,750 RCPSs were converted into 73,965,518 Shares. Accordingly, as at the date of the Offers, there were 3,500 RCPSs outstanding and held by the Remaining RCPS Holders, which might be convertible into 94,137,931 Shares.

LETTER FROM THE BOARD

3 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 were 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.

Before the close of the Offer on 16 April 2009, valid acceptances (satisfactory to the Company) have been duly received in respect of all the issued and outstanding 3,500 RCPSs.

4 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.

LETTER FROM THE BOARD

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.

5 SOURCE OF FUNDS

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

As far as the Directors are aware, there are no material adverse changes in the financial or trading position of the Group since 31 December 2008, to which date the Company's latest audited financial statements were made up.

Immediately following the date on which the payment for the repurchased RCPSs is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

6 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.

7 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.

8 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 are 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.

LETTER FROM THE BOARD

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 interests held by the respective Directors (and their associates) in the Shares as at the Latest Practicable Date are set out in the section headed “Directors’ interests in securities and options” in the Appendix to this document. Anderson Whamond does not have any disclosure obligation in respect of the Shares under the SFO. Yet, Mr Whamond has advised the Company that as at the Latest Practicable Date, he (and his associates) held, in aggregate, 20,137,000 Shares, representing 0.51% of the Company’s total issued ordinary share capital.

9 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 is included in this document.

10 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.

11 EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting is 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 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.

LETTER FROM THE BOARD

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.

The EGM Notice is set out in Pages 29 to 31 of this document. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it, accompanied by the power of attorney (if applicable) or other authority (if any) under which it is signed or a certified copy of that power of attorney, to the Company Secretary at the Company's principal place of business in Hong Kong as soon as possible but in any event not later than 10:30 am on Wednesday, 10 June 2009. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

Under Article 66 of the Articles of Association, subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Articles of Association, at any general meeting on a show of hands every member present in person (or being a corporation, present by a representative duly authorised), or by proxy shall have one vote and on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. Where a member is, under the HK Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required under the HK Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- a. by the chairman of such meeting; or
- b. by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- c. by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- d. by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal not less than one-tenth of the total sum paid up on all Shares conferring that right.

LETTER FROM THE BOARD

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

According to Rule 13.39(4) of the HK Listing Rules, the chairman of the EGM will demand poll on all resolutions proposed at the meeting.

12 DIRECTORS' RECOMMENDATION

The Directors consider that the Transaction is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend that all Independent Shareholders vote in favour of all resolutions proposed at the Extraordinary General Meeting.

Yours faithfully
On behalf of the Board of
Regent Pacific Group Limited

James Mellon
Co-Chairman

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Altus Capital Limited to the Independent Shareholders in respect of the Transaction, which has been prepared for the purpose of inclusion in this circular.

ALTUS CAPITAL LIMITED

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29 April 2009

The Independent Shareholders
Regent Pacific Group Limited
Suite 1401 Henley Building
5 Queen's Road Central
Hong Kong

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Shareholders in relation to the Transaction. Details of the Transaction are set out in the letter from the Board contained in the circular of the Company dated 29 April 2009 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 9 April 2009, the Board announced that as provided for in the Subscription Agreement, the Company made the Offer to all the Remaining RCPS Holders to repurchase all their RCPSs at their subscription price of US\$1,000 in cash for each RCPS, representing an aggregate amount of US\$3.5 million (or approximately HK\$27.3 million). As the amount of US\$3.5 million (or approximately HK\$27.3 million) exceeds 5% but is 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.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, there are 3,500 RCPSs outstanding and held by the Remaining RCPS Holders. The Remaining RCPS Holders, namely David Comba, James Mellon, Julie Oates, Mark Searle and Jayne Sutcliffe are Directors and are therefore connected persons of the Company. Accordingly, the Transaction also constitutes a connected transaction of the Company under the HK Listing Rules. Mr. Anderson Whamond, who is also one of the Remaining RCPS Holders, has resigned as a Director on 12 February 2008 and is therefore no longer a connected person of the Company. However, in view that Mr. Whamond is also a holder of RCPSs and is 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 independent non-executive Directors, namely David Comba, Julie Oates and Mark Searle, are part of the Remaining RCPS Holders and are 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. We have been appointed by the Company to advise the Independent Shareholders on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, whether the Transaction is on nominal commercial terms, in the ordinary and usual course of business and is in the interest of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the resolutions to approve the Transaction at the EGM.

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all statements, information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions and representations provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed; thus we have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular, or the reasonableness of the opinions and representations provided to us by them.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries that, to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We have relied on such information and opinions and have not, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion on the Transaction, we have taken into consideration the following principal factors and reasons:

1. Background of the Placing

On 7 September 2006, the Company announced that it has, through Regent Minerals Limited, entered into the co-operative joint venture contract dated 30 August 2006 with Simao Shanshui Minerals Limited and Simao Lianyou Minerals Limited relating to the establishment of Simao Regent Minerals Limited, a Sino-foreign co-operative joint venture enterprise to conduct exploration, mining and processing of copper and other multi-metal mineral resources in the Yinzishan mine, which is in close proximity to the Dapingzhang mine in Puer City, Yunnan Province, the PRC (the “**Joint Venture Project**”). To finance the capital commitment under the Joint Venture Project and to raise further working capital for the Group, the Company had entered into the Subscription Agreement on 11 October 2006 pursuant to which, the Company raised US\$6.25 million (or approximately HK\$48.7 million) by the way of placing of the RCPSs to the independent placees and certain Directors.

The RCPSs have a tenure of five years maturing on 30 November 2011. According to the Subscription Agreement, unless previously redeemed, converted or purchased and cancelled, the Company will redeem each RCPS at 100% of its issue amount on its maturity date and the RCPSs may be redeemed at par at the option of the Company. Subject to compliance with the applicable law but without any further consent or sanction on the part of the holders of the RCPS, the Company may also at any time purchase the RCPSs either in the market or by tender.

2. Price of the Offer

On 9 April 2009, the Company made the Offer to each of the Remaining RCPS Holders to repurchase all the outstanding RCPSs at US\$1,000 each, which is the original subscription price of the RCPSs and the amount involved to repurchase all the RCPSs under the Transaction is US\$3.5 million (or approximately HK\$27.3 million). In the absence of a conversion, the Company will have to redeem these outstanding RCPSs at maturity at this same price.

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). Payment of the repurchase proceeds will be made in full by the Company to the Remaining RCPS Holders, upon satisfaction of the conditions as set out in Page 6 of the Circular, 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. The Transaction allows the Company to save dividend payments of up to US\$743,750 (or approximately HK\$5,801,250) during the period after 31 May 2009 up to maturity of the RCPSs.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The price of the Offer is at its original subscription price, which is also the redemption price at maturity. The Transaction will also enable savings on dividend payment of 8.5% per annum, which is significantly higher than the deposit rates currently received by the Company's cash balances. Based on the above, we are of the view that the price of the Offer is fair and reasonable.

3. Financial performance on the Group

The Company is a diversified mining group focused on the Asian region, which explores for and mines copper, zinc, gold, silver, lead and thermal coal.

The following sets out the financial results of the Group for the year ended 31 March 2007, the nine months ended 31 December 2007 and the year ended 31 December 2008. The Company has a nine-month reporting period in 2007 as the Company changed its financial year-end to 31 December to match the accounting year-end of its operations in the PRC.

	For the year ended 31 December 2008 <i>US\$'000</i> <i>(Audited)</i>	For the nine months ended 31 December 2007 <i>US\$'000</i> <i>(Audited)</i>	For the year ended 31 March 2007 <i>US\$'000</i> <i>(Audited)</i>
Total income	6,142	2,598	3,684
Operating loss before impairment loss	(14,766)	(6,357)	(5,594)
(Loss)/Profit after tax for the year/period attributable to the equity holders	(160,943)	1,603	582

The Group's total income had increased from approximately US\$2.6 million for the nine months ended 31 December 2007 to approximately US\$6.1 million for the year ended 31 December 2008. However, the decline in commodity prices and the impairment losses had affected the Group's results significantly where it recorded a loss after tax and minority interest of approximately US\$160.94 million for the year ended 31 December 2008. Out of such amount, approximately US\$154.7 million were impairment loss on goodwill, exploration and evaluation assets and available-for-sale financial assets. According to the 2008 annual results of the Group, the impairment was due to falls in commodity prices resulting in a decline in the carrying value of these assets and the impairment to the Company's equity investment was due to a decline in share prices.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

	As at 31 December 2008	As at 31 December 2007	As at 31 March 2007
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Non-current assets	143,767	244,063	30,717
Current assets	79,907	167,578	12,180
Non-current liabilities:			
Borrowings	(5,257)	(14,118)	(21,631)
Current liabilities	(2,897)	(12,830)	(693)
Net assets	215,520	384,693	20,573

Based on the audited accounts of 2008, the Group had total assets of approximately US\$223.7 million of which approximately 35.7% was current assets. Current assets comprised mainly cash and bank balances of approximately US\$57.4 million. The Group's current liabilities comprising trades payables, accruals and other payables of approximately US\$2.5 million, as well as an aggregate of US\$389,000 in the form of amounts due to minority shareholders, deferred tax liability and borrowings. Meanwhile, its non-current liabilities comprised borrowings of US\$5,257,000, of which US\$5,222,000 were the RCPSs. Borrowings had decreased by more than 75% between the financial year ended 31 March 2007 and 31 December 2008 due to the conversion of the convertible bonds into ordinary Shares during this period.

4. Source of funds

An aggregate amount of US\$3.5 million (or approximately HK\$27.3 million) will be required to repurchase all the outstanding RCPSs, which will be paid for from the internal cash resources of the Company. Based on the information discussed in section 3 above, the Group has cash and bank balances of approximately US\$57.4 million as at 31 December 2008. According to our discussion with the management of the Company, we understand that such cash balances have not been designated for any specific purposes. We also understand that the Group has no immediate capital commitment or capital expenditure requirement and the Directors have confirmed that immediately following the date on which the payment for the repurchased RCPSs is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

Based on the above, we consider that the Group has the necessary financial resources to fund the Offer and believe that the Transaction will not have material adverse impact on the working capital of the Group.

5. The Group's operations and plans

The management of the Company expects the commodity market to remain volatile in the short-term. In view of the rapid deterioration of market condition, the Group had implemented a restructuring programme and will continue to closely monitor its operating cost so as to reduce its operational expenditure.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

During the financial year of 2008, Yunnan Simao Shanshui Copper Company Limited and Regent Markets Holdings Limited had contributed a share of profit to the Group of approximately US\$7.7 million and approximately US\$0.86 million respectively. Meanwhile, West China Coking and Gas Company Limited had recorded a share of loss of US\$0.46 million. The Dapingzhang mine had resumed operations at full capacity with mining having resumed in March 2009. The management is optimistic that China will continue to grow during this global recession period and is confident that the longer-term market fundamental will support the growth in commodity demand, thereby increasing the Group's profitability. Asia Pacific will continue to be the major market for mining and exploration of natural resources for the Group.

6. Financial impact on the Group

Earnings

With the maturity of the RCPSs on 30 November 2011, the Transaction will enable total savings of finance cost of up to US\$743,750, being US\$173,542 for Year 2009, US\$297,500 for Year 2010 and US\$272,708 for Year 2011. The Transaction will therefore have a positive impact on the Group from the perspective of earnings.

Gearing

As stated in the final results of the Company for the year ended 31 December 2008, the Group's borrowings comprise US\$5,222,000 of RCPSs and US\$62,000 of obligation under finance lease. The RCPSs represented 98.8% of the total borrowings of the Group. In January 2009, 2,000 RCPSs were converted into ordinary Shares (the "RCPSs Conversion"). As a result, there were 3,500 RCPSs outstanding as at the Latest Practicable Date.

	As at 31 December 2008 <i>(US\$'000)</i>
Borrowings	5,284
Equity attributable to Company's equity holders	213,044
Gearing	2.48%

The RCPCs will be removed from the balance sheet of the Group after the RCPSs Conversion and upon completion of the Transaction. As the Company will be paying the repurchase proceeds entirely with internal cash resources of the Company, the net assets of the Group should remain unchanged. Consequently, the gearing of the Group (being total borrowings to equity attributable to the Company before minority interests) is expected to decrease.

Based on the above, the Transaction will have positive impact on the earnings and gearing of the Group. Given this overall improvement in financial position, we believe that the Transaction is in the interests of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

RECOMMENDATIONS

We are of the view that the terms of the Offer are on normal commercial terms. Given that the Company has sufficient financial resources to fund the Offer and the Transaction will improve the overall financial position of the Group, the Offer, while not conducted in the ordinary and usual course of business of the Company, is fair and reasonable for the Company and the Independent Shareholders. We therefore believe that the Transaction is in the interest of the Company and Shareholders as a whole. Based on the above, we recommend the Independent Shareholders to vote in favour of the proposed resolution approving the Transaction at the EGM.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Arnold Ip
Executive Director

1 RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the HK Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2 DIRECTORS' INTERESTS IN SECURITIES AND OPTIONS

As at the Latest Practicable Date, the Directors of the Company had the following beneficial interests in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company or of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Section 352 of the SFO or which were otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those interests which the Directors were deemed or taken to have under such provisions of the SFO) or pursuant to the Model Code:

(i) Securities of the Company**(a) Shares**

Name of Director	<i>Note</i>	Capacity in which the Shares are held	Long/Short position	Number of Shares*	Approximate % holding**
James Mellon		Beneficial owner	Long position	56,516,180	1.43%
	A	Beneficiary of a trust	Long position	375,821,131	9.52%
Stephen Dattels		Beneficial owner	Long position	21,514,256	0.54%
	B	Corporate interests	Long position	242,543,097	6.14%
Jamie Gibson		Beneficial owner	Long position	4,419,138	0.11%
Clara Cheung		Beneficial owner	Long position	1,200,000	0.03%
David Comba		—	—	—	—
Julie Oates		—	—	—	—
Mark Searle		Beneficial owner	Long position	4,194,444	0.11%
	C	Beneficiary of a trust	Long position	50,000	0.00%
Jayne Sutcliffe		Beneficial owner	Long position	17,160,465	0.43%
	D	Beneficiary of a trust	Long position	27,965,226	0.71%

* These numbers do not include the number of Shares to be issued upon conversion of the Redeemable Convertible Preference Shares and upon exercise of the outstanding Options under the Share Option Scheme (2002) held by the Directors, which are disclosed in sub-paragraphs (b) and (c) below.

** The total issued ordinary share capital of the Company as at the Latest Practicable Date consisted of 3,948,690,523 Shares.

(b) *Redeemable Convertible Preference Shares*

As at the Latest Practicable Date and prior to the consummation of the Transaction, there were 3,500 Redeemable Convertible Preference Shares outstanding, which might be convertible into 94,137,931 Shares. The Directors of the Company had the following beneficial interests in the Redeemable Convertible Preference Shares:

Name of Director	Note	Capacity in which the RCPSs are held	Long/Short Position	Number of RCPSs	Approximate % holding	Number of Shares to be issued on conversion
James Mellon	A	Beneficiary of a trust	Long position	2,750	78.57%	73,965,517
Stephen Dattels	—	—	—	—	—	—
Jamie Gibson	—	—	—	—	—	—
Clara Cheung	—	—	—	—	—	—
David Comba	—	Beneficial owner	Long position	50	1.43%	1,344,828
Julie Oates	—	Beneficial owner	Long position	100	2.86%	2,689,655
Mark Searle	—	Beneficial owner	Long position	100	2.86%	2,689,655
Jayne Sutcliffe	—	Beneficial owner	Long position	250	7.14%	6,724,138

(c) *Share Option Scheme (2002)*

As at the Latest Practicable Date, the following Directors of the Company had personal interests in Options granted under the Share Option Scheme (2002), entitling them to subscribe for Shares in accordance with, and subject to, the terms of the scheme:

Name of Director	Date of grant	Total number of Shares subject to the Option [#]	Subscription price per Share (HK\$)	Exercise period [#]	Number of Shares subject to vested Options [#]	Consideration for grant of Option (HK\$)
James Mellon	2 October 2007	13,000,000	1.152	2 October 2008 - 1 October 2017	4,333,333	10.00
Jamie Gibson	9 September 2004	11,000,000	0.266	9 September 2005 - 8 September 2014	11,000,000	10.00
	4 April 2006	45,600,000	0.300	4 April 2007 - 3 April 2016	45,600,000	10.00
	2 October 2007	13,000,000	1.152	2 October 2008 - 1 October 2017	4,333,333	10.00

Name of Director	Date of grant	Total number of Shares subject to the Option [#]	Subscription price per Share (HK\$)	Exercise period [#]	Number of Shares subject to vested Options [#]	Consideration for grant of Option (HK\$)
Clara Cheung	4 April 2006	8,000,000	0.300	4 April 2007 - 3 April 2016	8,000,000	10.00
	14 December 2006	6,000,000	0.325	14 December 2007 - 13 December 2016	4,000,000	10.00
	2 October 2007	7,000,000	1.152	2 October 2008 - 1 October 2017	2,333,333	10.00
David Comba	2 October 2007	5,000,000	1.152	2 October 2008 - 1 October 2017	1,666,666	10.00

[#] The Options entitle the holders to exercise one-third of the Option at each of the first, second and third anniversary dates after the date of grant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of grant. All entitlements then remain unexercised will lapse.

(d) *Long Term Incentive Plan 2007*

On 7 January 2009, units in respect of 99,000,000 Shares and 20,000,000 Shares were granted under the plan to Jamie Gibson and Clara Cheung respectively, who received their entitlements on 7 January 2009 in the full cash equivalents of HK\$15,543,000 (approximately US\$1,992,690) and HK\$3,140,000 (approximately US\$402,564) respectively, being at HK\$0.157 per Share. Such cash equivalents were made available to Jamie Gibson and Clara Cheung for allowing them to buy the number of Shares which they were entitled under the plan in the market in accordance with the amendment to the extension of the “black out” period for dealing in securities by Directors that was being introduced by the HK Stock Exchange, and such payments will be amortised over three years in line with the share scheme starting in the financial year ended 31 December 2009.

(ii) **Securities of associated corporation**

— Ordinary shares of US\$0.01 of AstroEast.com Limited (note E)

Name of Director	<i>Note</i>	Capacity in which the shares are held	Long/Short position	Number of shares	Approximate % holding
James Mellon	—		—	—	—
Stephen Dattels	—		—	—	—
Jamie Gibson		Beneficial owner	Long position	225,000	0.80%
Clara Cheung	—		—	—	—
David Comba	—		—	—	—
Julie Oates	—		—	—	—
Mark Searle	—		—	—	—
Jayne Sutcliffe		Beneficial owner	Long position	150,000	0.54%

Notes:

A. The 375,821,131 Shares are held by companies wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary.

The 2,750 Redeemable Convertible Preference Shares are held by a company wholly owned by this settlement.

B. The 242,543,097 Shares are held by companies owned by Stephen Dattels.

C. The 50,000 Shares are held to the order of a pension fund, of which Mark Searle is the sole beneficiary.

D. The 27,965,226 Shares are held by the trustee of a discretionary trust, under which Jayne Sutcliffe and members of her family may become beneficiaries.

E. AstroEast.com Limited is an indirect 50.99% owned subsidiary of the Company.

Save as disclosed herein, as at the Latest Practicable Date none of the Directors (or their associates) had any beneficial interests or short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) or debentures of the Company or of any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Section 352 of the SFO or which would have to be otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors were deemed or taken to have under such provisions of the SFO) or pursuant to the Model Code.

3 DIRECTORS' INTERESTS IN CONTRACTS

As far as the Directors are aware and save for the Offers and for the following contracts, there were no contacts or arrangements subsisted as at the Latest Practicable Date, in which any one of them was materially interested and which are significant in relation to the business of the Group:

- (a) On 5 September 2007, the Company entered into a finder's fee agreement (the "**Finder's Fee Agreement**") with Stephen Dattels (who was appointed as Director of the Company on 12 February 2008), pursuant to which the Company agreed to issue and allot 75,000,000 Shares (the "**Finder's Fee Shares**") to Stephen Dattels by way of consideration for introducing to the Company the transaction involving the acquisition by the Company of the entire issued share capital of Regent Coal (BVI) Limited ("**Regent Coal (BVI)**", formally CCEC Ltd) (the "**CCEC Acquisition**") upon completion of the CCEC Acquisition. The CCEC Acquisition was completed, and the Finder's Fee Shares were issued and allotted to Stephen Dattels, on 14 December 2007. The Finder's Fee Shares are subject to a lock-up of 12 months from the date of issue. In addition, Stephen Dattels undertook with the Company that he will not dispose of or agree to dispose of the Finder's Fee Shares (or any interest therein) for an additional 12-month period from the date of expiry of the first lock-up without the prior consent of the Board.
- (b) On 12 October 2007, as part of the CCEC Acquisition, the Company made an offer (the "**CCEC Offer**") to, inter alia, Chiropo Company S.A. ("**Chiropo**", a company controlled by Stephen Dattels) to purchase all 19,400 shares held by Chiropo in Regent Coal (BVI), in consideration for the issue and allotment of 106,881,819 Shares (the "**Consideration Shares**") by the Company to Chiropo upon completion of the CCEC Acquisition. The CCEC Offer closed on 27 November 2007 and upon completion of the CCEC Acquisition, the Consideration Shares were issued and allotted to Chiropo on 14 December 2007. The Consideration Shares are subject to a lock-up of 12 months from the date of issue. In addition, Chiropo undertook with the Company that it will not dispose of or agree to dispose of the Consideration Shares (or any interest therein) for an additional 12-month period from the date of expiry of the first lock-up without the prior consent of the Board.
- (c) On 14 December 2007, the Company entered into an escrow agreement (the "**Escrow Agreement**") with, inter alia, Stephen Dattels, Chiropo and Law Debenture Trust (Asia) Limited in relation to the deposit of the Finder's Fee Shares and the Consideration Shares (together with the consideration shares issued to certain other sellers and offerees under the CCEC Acquisition) with Law Debenture Trust (Asia) Limited during the lock-up period referred to in the Finder's Fee Agreement and the CCEC Offer. An amendment to the Escrow Agreement was entered into on 9 April 2008 in relation to the transfer of the legal and beneficial ownership of the Finder's Fee Shares from Stephen Dattels to Chiropo.

4 DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service agreement with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5 DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Directors, except for the independent non-executive Directors who are not subject to the disclosure requirement under Rule 8.10 of the HK Listing Rules, have declared that they (or their respective associates) are not interested in any business apart from the Company's business, which competes or is likely to complete, either directly or indirectly, with the Company's business save that the following companies may pursue investment opportunities that may compete against the Company:

(a) **Caledon Resources plc**

Caledon Resources plc ("**Caledon Resources**") is dually listed on the Alternative Investment Market ("**AIM**") of the London Stock Exchange and the Australian Securities Exchange. It is a coking coal producer and explorer in the Bowen Basin of Queensland, Australia.

Stephen Dattels is a non-executive director of Caledon Resources, and as at the Latest Practicable Date:

- Each of the Company and James Mellon held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s); and
- Polo Resources Limited (see below) held approximately 26% of its total issued share capital.

(b) **Emerging Metals Limited**

Emerging Metals Limited ("**Emerging Metals**") focuses on minor metals and rare earth elements by investing in projects with exposure to these metals and by trading physical quantities of these commodities. The company has purchased the Tsumeb Option from Ongopolo Mining Limited, a subsidiary of Weatherly International plc, to acquire two smelter slag stockpiles that contain an indicated resource of germanium and zinc. The Tsumeb Slag Stockpiles are located in proximity to the Tsumeb Smelter complex in the Oshikoto region of Namibia. The company plans to produce the rare metal germanium, as well as gallium and zinc, from the slag stockpiles.

Shares of Emerging Metals are listed on AIM.

James Mellon and Stephen Dattels are non-executive co-chairmen of the board of directors of Emerging Metals, and as at the Latest Practicable Date:

- The Company held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s);
- James Mellon (through his associate) held approximately 8.50% of its total issued share capital; and
- Stephen Dattels held indirectly approximately 6% of its total issued share capital.

(c) **GCM Resources plc**

GCM Resources plc (“**GCM Resources**”) is a London-based resource exploration and development company with its Phulbari Coal Project poised for development once the Government of Bangladesh provides approval. It also has a portfolio of investments in South Africa and China coal businesses, and uranium interests in West Africa, Sweden and Australia. The company’s shares are quoted on AIM.

As at the Latest Practicable Date:

- The Company did not hold any interests in its total issued share capital; and
- Polo Resources Limited (see below) held approximately 29.83% of its total issued share capital.

As at the Latest Practicable Date, GCM Resources held approximately 1.74% of the total issued share capital of the Company.

(d) **Kalahari Minerals plc**

Kalahari Minerals plc is a dynamic emerging exploration company with a portfolio of copper, base metals and uranium interests in Namibia. The company’s shares are quoted on AIM.

As at the Latest Practicable Date:

- The Company held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s);
- Emerging Metals Limited (see above) held approximately 9.80% of its total issued share capital;
- Niger Uranium Limited (see below) held approximately 15.47% of its total issued share capital; and

- RDRC (see below) held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s).

(e) **Niger Uranium Limited**

Niger Uranium Limited seeks out uranium mining opportunities around the world (including the State of Niger, Africa and South America) as an active investor and project developer, whose shares are listed on AIM.

As at the Latest Practicable Date, each the Company and James Mellon held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s).

(f) **Polo Resources Limited**

Polo Resources Limited (“**Polo Resources**”) is listed on AIM. It focuses on acquiring and developing interests in projects that are strategically located to serve the increasing global demand for coal, in particular to feed through to the Asian markets. It holds a diversified portfolio of coal and uranium licences in Mongolia. It has specifically targeted areas of significant known coal resources that are near the necessary infrastructure to export coal into the energy markets of adjacent China and Russia.

Stephen Dattels is the executive chairman of the board of directors of Polo Resources, and as at the Latest Practicable Date:

- The Company held approximately 3.77% of its total issued share capital;
- James Mellon (and his associate) held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s);
- Stephen Dattels held approximately 3.66% of its total issued share capital; and
- GCM Resources plc (see above) held approximately 3.60% of its total issued share capital.

(g) **Red Dragon Resources Limited**

Red Dragon Resources Limited (“**RDRC**”) is an exploration company listed on the TSX Venture Exchange, a Canadian stock exchange, and based in Vancouver, British Columbia. The company has exploration projects in China and Canada for a number of commodities, but is focused on exploring zinc in the “Three Rivers Base Metal Belt” in southwest China.

James Mellon is an executive director of RDRC, and as at the Latest Practicable Date:

- The Company (and its subsidiaries) held approximately 5.74% of its total issued share capital;

- James Mellon (himself and through his associate) and Stephen Dattels (through his associates) held approximately 6.80% and approximately 10% of its total issued share capital respectively; and
- Jamie Gibson held approximately 0.30% of its total issued share capital.

(h) **Templar Minerals Limited**

Templar Minerals Limited is a gold and base metal exploration, mining and investment company with gold and base metals projects in Fiji and Georgia, whose shares are traded on AIM.

As at the Latest Practicable Date:

- The Company held less than 3% of its total issued share capital, which was not discloseable under the rules of the relevant regulator(s); and
- Stephen Dattels held indirectly approximately 14.70% of its total issued share capital.

(i) **Vakukoula Gold Mines plc**

Vakukoula Gold Mines plc is a UK based mining and exploration company with gold projects in Fiji and Brazil and an exploratory diamond project in Sierra Leone, whose shares are traded on AIM.

As at the Latest Practicable Date:

- The Company did not hold any interests in its total issued share capital; and
- Templar Minerals Limited (see above) held approximately 15% of its total issued share capital.

Currently, the existing businesses of above companies do not compete against the Company's existing business in China. Should the Company and any of the above companies come into competition in the future, no Director of the Company shall vote on any board resolution of the Company approving any contract or arrangement or any other proposal in which they or any of their associates have a material interest, nor shall they be counted in the quorum present in the meeting, in each case if, and to the extent, required under Rule 13.44 of the HK Listing Rules.

Further, the Company established a connected transactions committee on 20 October 2008 to review and monitor any conflict of interests that the Group may have with any of its directors, employees or members and, moreover, any actual or potential connected or related party transaction (including connected transactions exempted under the HK Listing Rules) that the Group is proposing to enter into, including any approvals thereof. The committee comprises Julie Oates (the Chairlady), Jamie Gibson and Mark Searle.

6 DIRECTORS' INTERESTS IN ASSETS

As far as the Directors are aware, none of them has any interests, whether direct or indirect, in any assets which have been, since 31 December 2008 to which the Company's latest audited financial statements were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7 SUBSTANTIAL SHAREHOLDERS' INTERESTS

The Directors are not aware of any persons (other than James Mellon and Stephen Dattels, whose interests are set out in detail under the section headed "Directors' interests in securities and options") who, as at the Latest Practicable Date, had beneficial interests and short positions in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company, which would have to be recorded in the Register of Interests and Short Positions of Substantial Shareholders required to be kept by the Company under Section 336 of the SFO or which would have to be otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including those interests and short positions which they were deemed or taken to have under such provisions of the SFO).

8 EXPERT

The following is the qualification of the expert who has been named in this circular or has given their opinion or advice which is contained in this circular:

Name	Qualification
Altus Capital Limited	A licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Shareholders on the Transaction

The IFA has given and confirmed that they have not withdrawn their written consent to the issue of this circular with the inclusion of their letter and/or references to their name in the form and context in which it appears.

The IFA has further confirmed that as at the Latest Practicable Date, they were not interested in the share capital of any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. They are not interested in any assets which have been, since 31 December 2008 (being the date to which the Company's latest audited financial statements were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9 LITIGATION

Save as otherwise set out below, the Directors are not aware of any litigation or claims pending or threatened against the Company or any subsidiary of the Group as at the Latest Practicable Date.

Abagaqi Changjiang Mining Co, Ltd (“ACMC”, an indirect 51% owned subsidiary of the Company) has been joined as a party to arbitration proceedings in respect of a third party claim against it for a success or transaction fee of up to 16% of the total amount of RMB 180 million (US\$26.36 million) that Regent Coal (BVI) has and may pay in respect of its existing and any future equity stake in ACMC. The claim relates only to 16% of the actual amount paid by Regent Coal (BVI) for equity in ACMC, currently RMB 80 million (US\$11.72 million), and Regent Coal (BVI) is fully indemnified (on a contractual basis) by the remaining shareholders of ACMC should it or ACMC be required to make any payment in connection therewith. In light of the contractual protections in place in favour of Regent Coal (BVI), the Directors do not consider these arbitration proceedings material, but acknowledge that its outcome cannot be determined with any reasonable certainty at this time. Accordingly, no provision was made in the financial statements of the Group in respect of these arbitration proceedings.

10 DOCUMENTS AVAILABLE FOR INSPECTION

During the period from the date of this circular to the date prior to the Extraordinary General Meeting and at the Extraordinary General Meeting, copies of the following documents will be available for inspection at the Company’s principal place of business in Hong Kong:

- a. the Subscription Agreement;
- b. the Terms and Conditions;
- c. the Articles of Association;
- d. the letter dated 9 April 2009 making the Offer (and the acceptances received); and
- e. the letter dated 29 April 2009 from the Independent Financial Adviser.

NOTICE OF EXTRAORDINARY GENERAL MEETING



REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of the Company will be held at Ballroom 2, 1st Floor, Wynn Macau*, Rua Cidade de Sintra, Nape, Macau on Friday, 12 June 2009 at 10:30 am for the following purposes (*Shuttle buses of Wynn Macau will depart from the New Macau Maritime Ferry Terminal at 10:00 am and 10:15 am):

1. To consider and, if thought fit, pass (with or without amendments) the following resolution

AS AN ORDINARY RESOLUTION

“THAT:

- (A) (i) the purchase by the Company of 3,500 Redeemable Convertible Preference Shares (the “**RCPS(s)**”) upon and subject to the terms and conditions of the offer letter dated 9 April 2009 addressed by the Company to, and accepted by, the holders thereof (the “**Offer Letter**”) at a subscription price of US\$1,000 in cash for each RCPS, for an aggregate amount of US\$3,500,000 (the “**Transaction**”) be approved and authorised for the purposes of Section 37(3)(d) of the Companies Law (2007 Revision), and (ii) the execution, performance and implementation of the Transaction and all documents and agreements contemplated under or incidental to the Transaction (including the Offer Letter and the payment of the consideration for the RCPSs as specified therein) (the aforementioned documents collectively defined as the “**Transaction Documents**”) be and are hereby approved, confirmed and ratified; and
- (B) any Director be and is hereby authorized on behalf of the Company to exercise, perfect and deliver all such documents and do all such acts and things and any two Directors or any Director and the company secretary of the Company be and are hereby authorized to affix the Company’s seal to all such documents and deliver the same as deeds of the Company, in any such case as may be necessary or desirable to implement or give effect to the terms of the Transaction Documents and the transactions and ancillary agreements or documents contemplated thereunder (including, without limitation, the execution of any deed and/or documents in connection with the transactions and agreements contemplated in resolution 1(A) above and the exercise or enforcement of any rights thereunder) and to make and agree

NOTICE OF EXTRAORDINARY GENERAL MEETING

such variations to the terms of the Transaction Documents and ancillary agreements or documents contemplated thereunder as he or she or they, in his or her or their absolute discretion, may consider to be desirable, appropriate or necessary and in the interests of the Company.”

2. To consider and, if thought fit, pass (with or without amendments) the following resolution

AS AN ORDINARY RESOLUTION

“**THAT**, subject to the passing of Resolution 1 and the consummation of the Transaction (as evidenced by the cancellation of the RCPSs in the Register of Members of the Company upon their repurchase):

- (i) the 6,250 Redeemable Convertible Preference Shares which have not been taken, or agreed to be taken, by any person, shall be cancelled pursuant to and in accordance with Section 13(1)(e) of the Companies Law (2007 Revision); and
- (ii) the authorised share capital of the Company shall be diminished by the amount of the RCPSs so cancelled,

From: US\$105,500,062.50, comprising (a) 10,000,000,000 Shares; (b) 550,000,000 unclassified shares of US\$0.01 par value each (which may be issued as Shares or as non-voting convertible deferred shares); and (c) 6,250 Redeemable Convertible Preference Shares,

To: US\$105,500,000.00, comprising (a) 10,000,000,000 Shares; and (b) 550,000,000 unclassified shares of US\$0.01 par value each (which may be issued as Shares or as non-voting convertible deferred shares).”

3. To consider and, if thought fit, pass the following resolution

AS A SPECIAL RESOLUTION

“**THAT**, subject to the passing of Resolution 1 and the consummation of the Transaction (as evidenced by the cancellation of the RCPSs in the Register of Members of the Company upon their repurchase), the Articles of Association of the Company be amended by the deletion in its entirety of Article 8A (which set out the rights attaching to the Redeemable Convertible Preference Shares and which was inserted into the Articles of Association pursuant to a special resolution passed on 23 November 2006).”

By Order of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

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, 29 April 2009

Notes:

1. Shareholders are recommended to read the shareholders' circular dated 29 April 2009 issued by the Company (the "**Circular**"), which contains important information concerning the resolutions proposed at the extraordinary general meeting being convened by this notice.

Unless the context requires otherwise, capitalised terms used in this notice shall have the same meaning given to them in the Circular, of which this notice forms part.

2. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting if he so wishes.
3. In order for it to be valid, the form of proxy, accompanied by the power of attorney (if applicable) or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited with the Company Secretary at the Company's principal place of business in Hong Kong at Suite 1401, Henley Building, 5 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for the meeting or its adjourned meeting.
4. In the case of joint registered holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names of the holders stand in the Register of Members of the Company in respect of such joint holding.
5. In the case of a conflict between the English text of this notice and its Chinese translation, the English text will prevail.