



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

30 June 2016

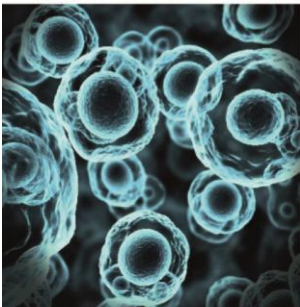
ANNOUNCEMENT

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PROPOSED CAPITAL REDUCTION

SUMMARY

The Board proposes that the issued share capital of the Company be reduced from US\$173,725,118.20 to US\$17,372,511.82 by: (i) the cancellation of US\$0.09 paid up capital on each issued share so that each issued share shall be treated as one fully paid up share of US\$0.01 each in the capital of the Company; and (ii) the reduction of the par value of each unissued share from US\$0.10 to US\$0.01, such that the authorised share capital of the Company shall be reduced from US\$235,500,000 to US\$23,550,000 (as detailed in the announcement) and that the credit arising from the Capital Reduction in the amount of approximately US\$156,352,606.38 be credited towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company, and the balance (if any) be transferred to a distributable reserve account of the Company named the capital reduction reserve account or other reserve account of the Company which may be used by the Directors as a distributable reserve in accordance with the Memorandum and Articles of Association of the Company and all applicable laws and rules (including the HK Listing Rules) and as the Board considers appropriate.



The board lot size for trading of the New Shares will remain unchanged at 10,000 New Shares upon the Capital Reduction taking effect.

As at the date of this announcement, 1,737,251,182 Shares have been issued and are fully paid or credited as fully paid. Accordingly, assuming that the nominal or par value of each of the Shares will be reduced from US\$0.10 to US\$0.01, upon the Capital Reduction taking effect, the authorised share capital of the Company will be US\$23,550,000 comprising: (i) 2,300,000,000 New Shares of a nominal or par value of US\$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US\$0.01 each (which may be issued as New Shares or as New Deferred Shares of a nominal or par value of US\$0.01 each), of which 1,737,251,182 New Shares are issued and are fully paid or credited as fully paid and the remainder are unissued. The Company's issued and paid up share capital of US\$173,725,118.20 will be reduced by US\$156,352,606.38 to US\$17,372,511.82.

The Capital Reduction will take effect, and trading in the New Shares will commence, upon all the conditions set out in this announcement having been satisfied.

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

The Circular containing further details of the Capital Reduction, together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 25 July 2016.

The Capital Reduction

As at the date of this announcement, the authorised share capital of the Company is US\$235,500,000 comprising: (a) 2,300,000,000 Shares of US\$0.10 each; and (b) 55,000,000 unclassified shares of US\$0.10 each (which may be issued as Shares or Deferred Shares), of which 1,737,251,182 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes that:

- (a) the issued share capital of the Company be reduced from US\$173,725,118.20 to US\$17,372,511.82 by: (i) the cancellation of US\$0.09 paid up capital on each issued share so that each issued share shall be treated as one fully paid up share of US\$0.01 each in the capital of the Company; and (ii) the reduction of the par value of each unissued share from US\$0.10 to US\$0.01, such that the authorised share capital of the Company shall be reduced from US\$235,500,000 comprising: (a) 2,300,000,000 Shares of a nominal or par value of US\$0.10 each; and (b) 55,000,000 unclassified shares of a nominal or par value of US\$0.10 each (which may be issued as Shares or as Deferred Shares of a nominal or par value of US\$0.10 each) to US\$23,550,000 comprising: (i) 2,300,000,000 New Shares of a nominal or par value of US\$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US\$0.01 each (which may be issued as New Shares or as New Deferred Shares of a nominal or par value of US\$0.01 each); and
- (b) the credit arising from the Capital Reduction in the amount of approximately US\$156,352,606.38 be credited towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company, and the balance (if any) be transferred to a distributable reserve account of the Company named the capital reduction reserve account or other reserve account of the Company which may be used by the Directors as a distributable reserve in accordance with the Memorandum and Articles of Association of the Company and all applicable laws and rules (including the HK Listing Rules) and as the Board considers appropriate.

The board lot size for trading of the New Shares will remain unchanged at 10,000 New Shares upon the Capital Reduction taking effect.

1. Effect of the Capital Reduction

Assuming that no further Shares will be issued and allotted or repurchased prior to the effective date of the Capital Reduction, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately upon the Capital Reduction taking effect
Nominal or par value	US\$0.10 per Share or unclassified share (which may be issued as a Share or as a Deferred Share)	US\$0.01 per New Share or unclassified share (which may be issued as a New Share or as a New Deferred Share)
Amount of the authorised share capital	US\$235,500,000	US\$23,550,000
Number of authorised shares	2,300,000,000 Shares and 55,000,000 unclassified shares (which may be issued as Shares or as Deferred Shares)	2,300,000,000 New Shares and 55,000,000 unclassified shares (which may be issued as New Shares or as New Deferred Shares)
Number of issued shares	1,737,251,182 Shares	1,737,251,182 New Shares
Amount of the issued share capital	US\$173,725,118.20	US\$17,372,511.82

As at the date of this announcement, 1,737,251,182 Shares have been issued and are fully paid or credited as fully paid. Accordingly, assuming that the nominal or par value of each of the Shares will be reduced from US\$0.10 to US\$0.01, upon the Capital Reduction taking effect, the authorised share capital of the Company will be US\$23,550,000 comprising: (i) 2,300,000,000 New Shares of a nominal or par value of US\$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US\$0.01 each (which may be issued as New Shares or as New Deferred Shares of a nominal or par value of US\$0.01 each), of which 1,737,251,182 New Shares are issued and are fully paid or credited as fully paid and the remainder are unissued. The Company's issued and paid up share capital of US\$173,725,118.20 will be reduced by US\$156,352,606.38 to US\$17,372,511.82.

2. Conditions for the Capital Reduction

The Capital Reduction is conditional upon:

- (i) the passing by the Shareholders at the Extraordinary General Meeting of a special resolution approving the Capital Reduction;
- (ii) the approval of the Capital Reduction by the Court;
- (iii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (iv) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction; and
- (v) the Listing Committee of the HK Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction.

The Capital Reduction will take effect, and trading in the New Shares will commence, upon all the above-mentioned conditions having been satisfied. Upon approval by the Shareholders of the Capital Reduction at the Extraordinary General Meeting, the legal adviser to the Company (as to the Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the progress of the Capital Reduction as and when appropriate.

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

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

An application will be made to the Listing Committee of the HK Stock Exchange for the listing of, and the permission to deal in, the New Shares arising from the Capital Reduction. No application is required to be sought from any other stock exchange for the listing of, and permission to deal in, the New Shares.

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

4. Board lot size

The existing board lot of 10,000 Shares will remain unchanged upon the Capital Reduction taking effect.

5. Free exchange of share certificates

Subject to the Capital Reduction having taken effect, Shareholders may, during business hours from Monday, 31 October 2016 to Wednesday, 7 December 2016 (both days inclusive), submit their Existing Share Certificates for the Shares (in green colour) to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificates for the New Shares (in orange colour) at the expense of the Company. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reduction is ascertained.

Thereafter, Existing Share Certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time prescribed in the HK Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

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

Nevertheless, Existing Share Certificates will continue to be good evidence of legal title and will be valid for delivery, trading and settlement purposes after the Capital Reduction has taken effect.

6. Reasons for the Capital Reduction

As noted, the credit arising from the Capital Reduction will be credited towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company, with the balance (if any) to be credited to a capital reduction reserve account or other reserve account of the Company and be applied as a distributable reserve in accordance with the Memorandum and Articles of Association of the Company and all applicable laws and rules (including the HK Listing Rules) and as the Board considers appropriate.

As at 31 December 2015, the accumulated losses of the Company amounted to US\$284,032,000, which have arisen from the accumulation of all net losses since its incorporation, and it is expected that the credit arising from the Capital Reduction will amount to US\$156,352,606.38. Unless the Company can generate net profits in excess of US\$127,679,390.62 starting from 1 January 2016 and thereby transform the accumulated losses into retained earnings, the Company will be unable to announce or distribute any dividends by way of debiting the account of accumulated losses.

Accordingly, the Board is of the opinion that the proposed Capital Reduction will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future. In addition, the Board considers that the Capital Reduction will enable the nominal or par value of the Shares to be reduced from US\$0.10 to US\$0.01 each, thus giving greater flexibility to the Company to raise funds, should the Board consider it prudent or advisable to do so, through the issue of New Shares in the future given that the Company is not permitted, pursuant to its Articles of Association, to issue new Shares below their nominal or par value. It is important for Shareholders to note that, at this stage, there can be no assurance that a dividend will be declared or paid in the future, or that the Company will look to raise funds through the issue of New Shares, even if the Capital Reduction takes effect. Moreover, following the Company's recent acquisition of Plethora and in light of the significant change to its capital structure following that acquisition, now would seem to be an appropriate time to clean up the capital structure of the Company, consistent with its recent share consolidation. The proposed Capital Reduction is entirely consistent with meeting this objective.

Save for the expenses to be incurred by the Company in implementing the Capital Reduction, the Board considers that the Capital Reduction will have no impact on the underlying assets, business operations, management or financial position of the Group or the proportionate interests of the Shareholders in the Company and their respective voting

rights. Further, the Capital Reduction does not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid up capital of the Company. The Board considers that the Capital Reduction will not have any material adverse effect on the financial position of the Company.

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

7. Expected timetable

Set out below is the expected timetable for the implementation of the Capital Reduction and the relevant trading arrangements, which is subject to satisfaction of the conditions set out in the paragraph headed “Conditions for the Capital Reduction” above:

2016

(Hong Kong dates and time unless otherwise specified)

Despatch of the Circular (including the notice of the Extraordinary General Meeting and the related form of proxy)	on or before Monday, 25 July
Latest time for lodging the form of proxy for the Extraordinary General Meeting	11:00 a.m. on Wednesday, 17 August
Extraordinary General Meeting	11:00 a.m. on Friday, 19 August
Publication of an announcement of the result of the Extraordinary General Meeting	Friday, 19 August

The following events are conditional on the results of the Extraordinary General Meeting and the approval from the Court and therefore the dates are tentative:

Expected date of registration of a copy of the order from the Court confirming the Capital Reduction and the minutes approved by the Court pursuant to the Companies Law	Friday, 28 October (Cayman Islands date)
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Expected effective date of the Capital Reduction Friday, 28 October (Cayman Islands date), which will take effect on Monday, 31 October in Hong Kong due to time difference

First day of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares Monday, 31 October

Commencement of the dealings in the New Shares 9:00 a.m. on Monday, 31 October

Last day for the free exchange of the Existing Share Certificates for the New Share Certificates 4:30 p.m. on Wednesday, 7 December

Dates or times specified in this announcement for events in the timetable for (or otherwise in relation to) the Capital Reduction are indicative only and may be excluded or varied due to the timetable and availability of the Court, additional time required for compliance with the regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Court or varied by the Company. Shareholders and investors will be informed by further announcement(s) of the Company if there is any change made to the expected period of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares.

General

The Capital Reduction is conditional upon the passing of a special resolution by the Shareholders at the Extraordinary General Meeting.

An application will be made to the Listing Committee of the HK Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction.

The Circular containing further details of the Capital Reduction, together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 25 July 2016.

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

Definitions

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

“Articles of Association”	the articles of association of the Company, copies of which are available on the websites of the HK Stock Exchange and the Company
“Board”	the board of directors of the Company
“Capital Reduction”	the proposed reduction of the issued share capital of the Company from US\$173,725,118.20 to US\$17,372,511.82 by: (i) the cancellation of US\$0.09 paid up capital on each issued share so that each issued share shall be treated as one fully paid up share of US\$0.01 each in the capital of the Company; and (ii) the reduction of the par value of each unissued share from US\$0.10 to US\$0.01, such that the authorised share capital of the Company shall be reduced from US\$235,500,000 comprising: (a) 2,300,000,000 Shares of a nominal or par value of US\$0.10 each; and (b) 55,000,000 unclassified shares of a nominal or par value of US\$0.10 each (which may be issued as Shares or as Deferred Shares of a nominal or par value of US\$0.10 each) to US\$23,550,000 comprising: (i) 2,300,000,000 New Shares of a nominal or par value of US\$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US\$0.01 each (which may be issued as New Shares or as New Deferred Shares of a nominal or par value of US\$0.01 each)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the shareholders’ circular to be issued by the Company and despatched to the Shareholders in relation to the Capital Reduction
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands

“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares (and upon the Capital Reduction taking effect, the New Shares) of which are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“Deferred Share(s)”	the non-voting convertible deferred shares of US\$0.10 each in the capital of the Company
“Director(s)”	the directors of the Company
“Existing Share Certificate(s)”	the certificates for the Shares
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held for approving the Capital Reduction
“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company, copies of which are available on the websites of the HK Stock Exchange and the Company
“New Deferred Share(s)”	the non-voting convertible deferred shares of US\$0.01 each in the capital of the Company upon the Capital Reduction taking effect

“New Share(s)”	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company upon the Capital Reduction taking effect, which will be listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“New Share Certificate(s)”	the certificates for the New Shares
“Plethora”	Plethora Solutions Holdings plc, now a wholly owned subsidiary of the Company following its acquisition by way of scheme of arrangement in the United Kingdom in March of this year
“Shareholder(s)”	the holders of the Shares and, upon the Capital Reduction taking effect, the New Shares
“Share(s)”	the ordinary shares, with voting rights, of US\$0.10 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“US\$”	United States dollars, the lawful currency in the United States

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director



Directors of the Company:

James Mellon (*Co-Chairman*)^{*}

Stephen Dattels (*Co-Chairman*)^{*}

Jamie Gibson (*Chief Executive Officer*)

David Comba[#]

Julie Oates[#]

Mark Searle[#]

Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 30 June 2016