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## **REGENT PACIFIC GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0575)**

### **ISSUE BY THE COMPANY OF A US\$20 MILLION 12% GUARANTEED CONVERTIBLE BOND DUE 2009**

**Financial Adviser to the Company**

**ACCESS CAPITAL LIMITED**



On 30 March 2006, the Company entered into the Purchase Agreement with the Purchasers in relation to the issue of the Convertible Bonds to raise US\$20 million (approximately HK\$156.03 million). The Convertible Bonds will be secured by the security interests to be created under the Guarantee and the Security Documents.

The Convertible Bonds shall be issued in two tranches, namely, Tranche A Convertible Bonds in the amount of US\$7.4 million (approximately HK\$57.73 million) and Tranche B Convertible Bonds in the amount of US\$12.6 million (approximately HK\$98.30 million).

Shareholders' approval will be sought for the issue of the Tranche B Shares. A circular containing further details and a notice convening a general meeting of the Company will be despatched to Shareholders in due course.

At the request of the Company, trading in the Shares was suspended on the HK Stock Exchange from 9:30 a.m. on 30 March 2006 pending release of an announcement that may be price sensitive. Application will be made to the HK Stock Exchange for resumption of trading in the Shares on the HK Stock Exchange with effect from 9:30 a.m. on 31 March 2006.

## **INTRODUCTION**

The Board is pleased to announce that on 30 March 2006, the Company entered into the Purchase Agreement with the Purchasers in relation to the issue of the Convertible Bonds to raise approximately US\$20 million (approximately HK\$156.03 million). The Convertible Bonds will be secured by the security interests to be created under the Guarantee and the Security Documents.

Principal terms of the Convertible Bonds and the Purchase Agreement are set out below.

## **THE PURCHASE AGREEMENT**

Date : 30 March 2006

Parties : Between the Company and:

- (a) MLP Investments (Caymans), Ltd. (subscribing for US\$4.44 million of the Tranche A Convertible Bonds and US\$7.56 million of the Tranche B Convertible Bonds);
- (b) Highbridge International LLC (subscribing for US\$0.925 million of the Tranche A Convertible Bonds and US\$1.575 million of the Tranche B Convertible Bonds);
- (c) Highbridge Asia Opportunities Fund LP (subscribing for US\$0.925 million of the Tranche A Convertible Bonds and US\$1.575 million of the Tranche B Convertible Bonds);
- (d) J.P. Morgan Securities Ltd. (subscribing for US\$1.11 million of the Tranche A Convertible Bonds and US\$1.89 million of the Tranche B Convertible Bonds).

To the best of the Directors' knowledge, the Purchasers, and their respective ultimate beneficial owners, are not connected persons of the Company and are independent of, and not connected with, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates.

### **Principal amount**

US\$20 million (approximately HK\$156.03 million)

### **Consideration**

The Purchasers shall pay the Company in cash on the Issue Date the aggregate sum of US\$20 million (approximately HK\$156.03 million), being (a) 100% of the principal amount of the Tranche A Convertible Bonds (US\$7.4 million or approximately HK\$57.73 million) and (b) 100% of the principal amount of the Tranche B Convertible Bonds (US\$12.6 million or approximately HK\$98.30 million). Net proceeds of approximately US\$18.4 million (approximately HK\$143.55 million) will be available to the Company after deducting the relevant commissions and estimated expenses.

## **Conditions**

The obligations of the Purchasers to pay the subscription amount for the Convertible Bonds are subject to certain conditions, including, among others:

1. the Agency Agreement and the Security Documents, each in a form reasonably satisfactory to the Purchasers, being executed by all parties thereto;
2. the HK Stock Exchange having (a) approved (by way of approving the publication of this announcement in relation to the issue of the Convertible Bonds) the issue of the Convertible Bonds, and (b) agreed, subject to any conditions reasonably satisfactory to the Purchasers, to list the Tranche A Shares (or the Purchasers being reasonably satisfied that such approval or listing will be granted); and
3. each of James Mellon, Jayne Sutcliffe and Anderson Whamond having given irrevocable undertaking to exercise the voting rights attached to their Shares to vote in favour of the proposed resolution in relation to the issue of the Tranche B Shares upon conversion of the Tranche B Convertible Bonds.

If any of the conditions precedent is not satisfied on or prior to the Issue Date, the Company and the Purchasers shall be released and discharged from their respective obligations relating to the Convertible Bonds (except for certain liabilities and obligations set out in the Purchase Agreement).

The Purchasers may at their discretion and upon such terms as they think fit waive compliance with the whole or any part of the conditions precedent.

The completion of the issue of the Convertible Bonds is not conditional upon Shareholders' approval.

## **Issue of the Convertible Bonds**

The Convertible Bonds shall be issued on 31 March 2006, or such other date as agreed between the Company and the Purchasers.

## **Transfer of Convertible Bonds**

The Purchasers may not transfer any of the Convertible Bonds to any party other than to its affiliate, any other Purchaser or the Issuer unless (a) it has previously offered the Convertible Bonds to the Issuer on terms no less favourable than the offer that it made to such other party; and (b) the Issuer or its nominee does not accept such offer within 1 business day of the receipt of such offer.

## **Undertaking**

The Issuer undertakes, among others, that:

1. it will use its best endeavours to obtain Shareholders' approval, at or before the annual general meeting of the Shareholders immediately after the date of the Purchase Agreement (such general meeting expected to be held before 30 September 2006), for the delivery of such number of Tranche B Shares as are required to satisfy in full the conversion rights in respect of all of the Tranche B Convertible Bonds. The Issuer will use its best endeavours to obtain such approval not later than 30 June 2006; and
2. neither the Issuer nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, for a period from the date of the Purchase Agreement up to 90 days after the Issue Date, without the prior written consent of the Purchasers, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale, pledge or disposal), any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity derivatives, equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued pursuant to the conversion provisions of the Convertible Bonds.

## **Termination**

The Purchasers may, at any time prior to payment of the subscription monies for the Convertible Bonds, terminate the Purchase Agreement upon occurrence of certain events as set out in the Purchase Agreement.

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

### **Maturity Date**

31 March 2009

### **Redemption**

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Convertible Bond at its principal amount on the Maturity Date. The Company may not redeem the Convertible Bonds at its option prior to the Maturity Date except as provided in paragraphs 1 and 2 below.

Subject to certain conditions, the Convertible Bonds may be redeemed by the Company:

1. at any time on or after 31 March 2008 and prior to the Maturity Date, in whole but not in part, by giving not less than 30 but not more than 60 days' notice to the Bondholders and the Agent, at their principal amount together with interest accrued to the date fixed for such redemption provided that, for at least 20 of 30 consecutive trading days, the last

trading day of which period falls within 5 trading days prior to the date on which the relevant notice of redemption is given to the Bondholders, the closing price of the Shares shall have been at least 150% of the conversion price in effect on each of such trading days; or

2. at any time, in whole but not in part, by giving not less than 14 but not more than 60 days' notice to the Bondholders, at their principal amount together with accrued and unpaid interest, in the event of certain changes in Cayman Islands or Hong Kong taxation regulations on or after the Issue Date that would require the Issuer to pay additional amounts of tax and such obligation cannot be avoided by the Company taking reasonable measures available to it provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Convertible Bonds then due.

### **Conversion price**

The conversion price of the Convertible Bonds is HK\$0.2615 per Share, subject to adjustment upon the occurrence of certain events, among others, including:

- (i) any alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification;
- (ii) capitalization of profits or reserves;
- (iii) where the aggregate of interim and final distributions in respect of a financial year produces a yield greater than 0%, 10%, 13% and 15% for the financial years ended 31 March 2006, 2007, 2008 and 2009 respectively;
- (iv) rights issues of Shares or options over Shares;
- (v) rights issues of other securities of the Company;
- (vi) issues at less than the then current market price;
- (vii) modification of rights of conversion;
- (viii) other offers to Shareholders.

The Company will publish an announcement upon adjustment of the conversion price.

The initial conversion price of HK\$0.2615 per Share represents:

- (i) a premium of approximately 27.56% over the closing price per Share as quoted on the HK Stock Exchange of HK\$0.205 on 29 March 2006, being the last closing market price immediately prior to suspension of the Shares on 30 March 2006 which was also the day of signing of the Purchase Agreement;

- (ii) a premium of approximately 29.58% over the average closing price per Share for the last five trading days ended on 29 March 2006 of HK\$0.2018; and
- (iii) a premium of approximately 29.26% over the average closing price per Share for the last ten trading days ended on 29 March 2006 of HK\$0.2023.

### **Conversion period**

The period during which the Convertible Bonds may be converted, in whole or in part in the amounts of US\$10,000 (HK\$78,014) or multiples thereof, at the option of Bondholder(s) shall commence:

- (i) on or after 9 May 2006 (in the case of the Tranche A Convertible Bonds); or
- (ii) after Shareholders' approval has been obtained and the HK Stock Exchange has approved in principle for the listing of and permission to deal in the Tranche B Shares (in the case of the Tranche B Convertible Bonds),

and shall continue until the close of business on 23 March 2009 (or the close of business on such earlier date which is 7 business days before any date fixed for redemption of the Convertible Bonds by the Issuer).

The Conversion Shares to be issued under Tranche A Convertible Bonds will be issued under the General Mandate. If the adjustment of the conversion price leads to an increase in the number of the Conversion Shares over the maximum number of Shares issueable under the General Mandate and the Company fails to obtain approval from the Shareholders for a specific mandate to allot, issue and deal with the additional Conversion Shares, the Company will not issue the additional Conversion Shares.

The holder(s) of the Tranche B Convertible Bonds can only convert the Tranche B Convertible Bonds into Shares if the approval of the Shareholders is obtained in relation to the issue of the Tranche B Shares. If the Company fails to obtain such Shareholders' approval, the Company may need to redeem the Tranche B Convertible Bonds at the Maturity Date (unless previously redeemed).

The Company shall notify the Bondholders upon obtaining such Shareholders' approval and the HK Stock Exchange's approval in principal for the listing of and permission to deal in the Tranche B Shares.

### **Conversion Shares**

The number of Shares to be issued on conversion of a Convertible Bond will be calculated according to the following formula:

$$A = \frac{B \times 7.8014}{C}$$

A = number of Shares to be issued on conversion

B = principal amount of the Convertible Bonds to be converted

C = the conversion price in effect at the conversion date

The Convertible Bonds will be issued in two tranches on the Issue Date.

Upon the conversion of the Tranche A Convertible Bonds in full and assuming there is no adjustment, a maximum of approximately 220.77 million Shares will be allotted and issued which would represent (i) approximately 16.08% of the existing issued share capital of the Company; (ii) approximately 13.86 % of the enlarged issued share capital of the Company, assuming no Tranche B Convertible Bond is converted and only the Tranche A Convertible Bonds are converted; and (iii) approximately 11.21 % of the enlarged issued share capital of the Company, assuming all the Convertible Bonds are converted.

Assuming Shareholders' approval has been obtained to issue the Tranche B Shares and assuming there is no adjustment, upon the conversion of the Tranche B Convertible Bonds in full, a maximum of approximately 375.90 million Shares will be allotted and issued which would represent (i) approximately 27.39% of the existing issued share capital of the Company; (ii) approximately 21.50% of the enlarged issued share capital of the Company, assuming no Tranche A Convertible Bond is converted and only the Tranche B Convertible Bonds are converted; and (iii) approximately 19.09% of the enlarged issued share capital of the Company, assuming all the Convertible Bonds are converted.

The Conversion Shares will rank pari passu in all respects with the Shares then in issue. Transfer of the Conversion Shares will not be subject to any restrictions on sale other than those which are generally applicable to the then existing Shares.

### **Interest**

The Convertible Bonds bear interest from and including 31 March 2006. The rate of interest of the Convertible Bonds is 12% per annum, or if the Company has not given a notice to the Bondholders notifying them that it has obtained Shareholders' approval and the HK Stock Exchange's approval in principle for the listing of and permission to deal in the Tranche B Shares by 30 September 2006, the rate of interest applicable thereafter shall be 18% per annum. Interest is payable semi-annually in arrears on 31 March and 30 September each year commencing on 30 September 2006.

### **Security**

The Convertible Bonds will be secured by the Guarantee, the RML Charge and the RMJ Charge.

### **Negative pledge, covenant and undertaking**

The Company has given certain undertakings and covenants under the terms of the Convertible Bonds which, among others, include:

1. the Company undertakes that, so long as any of the Convertible Bonds remain outstanding or any amount is due under or in respect of any Convertible Bonds, it will not, and will procure that none of its subsidiaries will, create or permit to subsist or arise any encumbrance upon the whole or any part of its or their respective present or future assets or revenues other than certain encumbrances set out in the terms of the Convertible Bonds, including, any encumbrance in respect of indebtedness (i) in

aggregate principal amount not exceeding US\$5 million created by a subsidiary of the Company which is without recourse to the Company and is to finance or refinance the acquisition of assets after the date of the Purchase Agreement provided that the indebtedness meets the criterion specified in paragraph 2 below may be secured as long as such security is junior to that in respect of the Guarantee or (ii) not exceeding US\$15 million in aggregate principal amount of project finance without recourse or with recourse to the JV Company;

2. the Company will not create any intra-group indebtedness (other than that arising as a result of the lending of the proceeds of the issue of the Convertible Bonds to fund investment in the JV Company), unless (i) the terms of which have been approved by Bondholders holding more than 50% of the principal amount of Convertible Bonds for the time being outstanding and which indebtedness is subordinated to the Convertible Bonds and the Guarantee or (ii) it comprises not more than US\$15 million in aggregate principal amount of project finance without recourse or with recourse to the JV Company.

### **Transferability**

Save as the restrictions as set out in the Purchase Agreement which are applicable to the Purchasers, the Convertible Bonds are freely transferable in multiples of US\$10,000.

The Company will inform the HK Stock Exchange upon the Company becoming aware that any of the Convertible Bonds has been or is to be transferred to any connected person of the Company (as defined in the Listing Rules) and will comply with the applicable Listing Rules.

### **Voting**

The Bondholder(s) will not be entitled to attend or vote at any meetings of the Company by reason only of being the Bondholder(s).

### **Default**

Upon occurrence of an event of default, which is defined in the terms and conditions of the Convertible Bonds, the Convertible Bonds may become immediately due and payable.

### **GENERAL MANDATE**

The Tranche A Shares will be issued under the General Mandate. No new Shares have been issued under the General Mandate from its date of grant up to and including the date of this announcement. The maximum number of Shares that can be issued under the General Mandate is 221,380,017 Shares.

The issue of the Tranche B Shares will be subject to a specific mandate to be approved by the Shareholders in a general meeting to be held before 30 September 2006. A circular and a notice convening a general meeting of the Company will be despatched to Shareholders in due course.

If the adjustment of the conversion price leads to an increase in the number of the Conversion Shares over the maximum number of Shares issueable under the General Mandate or the specific mandate, and the Company fails to obtain approval from the Shareholders for the specific mandate to allot, issue and deal with the additional Conversion Shares, the Company will not issue the additional Conversion Shares.

## **USE OF PROCEEDS**

Assuming the Convertible Bonds are issued upon the Issue Date, the net proceeds after deducting the relevant commissions and estimated expenses payable in relation to the issue of the Convertible Bonds will be approximately US\$18.4 million (equivalent to approximately HK\$143.55 million).

Instead of disposing of an interest in RML and using the proceeds from the disposal to fund RML's capital commitment of RMB 160 million (equivalent to approximately US\$20 million) under the JV Contract as set out in the Company's circular dated 20 January 2006, the Company intends to use approximately US\$17 million from the proceeds of the Convertible Bonds to fund the remainder of RML's capital commitment under the JV Contract.

The remaining proceeds from the Convertible Bonds will be used to pay costs and expenses incurred in connection with the issue of the Convertible Bonds and for general working capital of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Purchase Agreement, the Guarantee, the Security Documents and the principal terms of the Convertible Bonds, which were arrived at after arm's length negotiations between the Company and the Purchasers, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **CAPITAL RAISING IN THE PAST TWELVE MONTHS**

The Company has not undertaken any capital raising activity during the past twelve months immediately before the date of this announcement.

## **APPLICATION FOR LISTING**

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the HK Stock Exchange or any other stock exchange. The Company has applied to the Listing Committee of the HK Stock Exchange for the listing of, and permission to deal in, the Tranche A Shares and will make an application for the listing of, and permission to deal in, the Tranche B Shares in due course.

## CHANGES OF SHAREHOLDING

Based on the information available to the Company, the impact of the Convertible Bonds on the shareholdings of the Company would be as follows::

Name of Shareholder	Number of shares currently held	Approximate % of holding in existing issued share capital	Number of shares held upon issue of the Tranche A Shares at the initial conversion price	Approximate % of holding in enlarged share capital after issue of the Tranche A Shares at the initial conversion price	Number of shares held upon issue of the Tranche A Shares and the Tranche B Shares at the initial conversion price	Approximate % of holding in enlarged share capital after full conversion of the Convertible Bonds at the initial conversion price
James Mellon ( <i>note 1</i> )	404,078,576	29.44%	404,078,576	25.36%	404,078,576	20.52%
The State of Wisconsin Investment Board ( <i>note 1</i> )	82,567,940	6.02%	82,567,940	5.18%	82,567,940	4.19%
Finistere Limited ( <i>note 2</i> )	70,653,197	5.15%	70,653,197	4.43%	70,653,197	3.59%
Peter Everington ( <i>note 1</i> )	65,668,210	4.78%	65,668,210	4.12%	65,668,210	3.33%
The Gladiator Fund ( <i>note 1</i> )	56,681,000	4.13%	56,681,000	3.56%	56,681,000	2.88%
Jayne Sutcliffe ( <i>note 3</i> )	45,125,691	3.29%	45,125,691	2.83%	45,125,691	2.29%
Anderson Whamond ( <i>note 3</i> )	5,826,088	0.42%	5,826,088	0.37%	5,826,088	0.30%
Directors other than James Mellon, Jayne Sutcliffe and Anderson Whamond	4,244,444	0.31%	4,244,444	0.27%	4,244,444	0.22%
Bondholders	—	—	220,766,195	13.86%	596,661,718	30.30%
Public	<u>637,754,710</u>	<u>46.46%</u>	<u>637,754,710</u>	<u>40.02%</u>	<u>637,754,710</u>	<u>32.33%</u>
Total	<u>1,372,599,856</u>	<u>100.00%</u>	<u>1,593,366,051</u>	<u>100.00%</u>	<u>1,969,261,574</u>	<u>100.00%</u>

### Notes:

- (1) These Shareholders are recorded in the Register of Interests in Shares and Short Positions of Substantial Shareholders being kept by the Company pursuant to the Securities and Futures Ordinance. Latest notices from the respective Shareholders, except James Mellon, were filed before the dilution of their interests by (i) the scrip dividend paid by the Company on 16 December 2005; (ii) the issue and allotment of the consideration shares upon Further Completion of the Cooperation Agreement dated 23 June 2005 (each as defined in the shareholders' circular issued by the Company on 20 January 2006) on 15 March 2006; and (iii) the issue and allotment of 86,728,147 ordinary shares upon conversion of all issued non-voting convertible deferred shares on 18 March 2006.
- (2) 70,653,197 ordinary shares were issued and allotted to Finistere Limited on 15 March 2006 upon Further Completion of the Cooperation agreement (as referred to in note 1 above), representing approximately 5.15% of the Company's existing issued share capital.
- (3) James Mellon, Jayne Sutcliffe and Anderson Whamond have registered their combined shareholding as a concert party group under Rule 26.6 of the Code on Takeovers and Mergers of Hong Kong.

Assuming (a) there is no adjustment and (b) none of the Purchasers has transferred its Convertible Bonds or Conversion Shares, upon full conversion of the Convertible Bonds, (i) MLP Investments (Caymans), Ltd. will hold more than 10% of the enlarged share capital of the Company, and (ii) the remaining Purchasers will individually hold less than 10% of the enlarged share capital of the Company and therefore will be considered to be public shareholders.

## **GENERAL**

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose shares are listed on HK Stock Exchange and Frankfurt Stock Exchange. It is engaged principally in investment holding.

RML is a limited liability company, which was incorporated under the laws of Barbados on 31 October 2005. It is engaged principally in seeking investment opportunities in businesses that are engaged in the exploration, processing and mining of natural resources.

RMJ is a limited liability company, which was incorporated under the laws of Jersey on 19 January 2006. It currently holds the entire issued share capital of RML.

The JV Company is an equity joint venture enterprise, which was established on 8 March 2006 under the laws of the PRC. It is engaged principally in conducting exploration, mining and processing of copper ore, associated precious metals and mineral resources and sale of its own products.

The Company will comply with all applicable Listing Rules in relation to any alterations in the terms of the Convertible Bonds after issue, except where the alterations take effect automatically under the existing terms of the Convertible Bonds.

At the request of the Company, trading in the Shares was suspended on the HK Stock Exchange from 9:30 a.m. on 30 March 2006 pending release of an announcement that may be price sensitive. Application will be made to the HK Stock Exchange for resumption of trading in the Shares on the HK Stock Exchange with effect from 9:30 a.m. on 31 March 2006.

## **UPDATE ON THE PROGRESS IN RELATION TO THE MINING BUSINESS**

As set out in the Company's circular dated 20 January 2006, upon the establishment of the JV Company, it will be engaging in the exploration, mining and processing of the mineral resources within the Dapingzhang polymetallic mine which is situated in Yunnan Province, PRC. Since the Company's circular dated 20 January 2006, the Company would like to update Shareholders on the progress of this project which is set out below.

An in-fill diamond drilling program, which currently is utilizing 7 diamond drill rigs on site, was commenced in October of 2005 and is nearing completion of phase I. It is expected that by 31 March 2006 over 12,000 meters will have been drilled from 57 holes and by 30 June 2006, the JV Company anticipates having drilled over 25,000 meters from approximately 100 holes.

In December 2005, the Group engaged Micon International Limited ("**Micon**"), a world leading Canadian mining consultancy firm, and SGS Lakefield ("**SGS**"), a leading mining metallurgist group from Canada, as consultants to assist in exploiting the Dapingzhang polymetallic mine to the fullest possible potential. The intention is to produce a short-range mine plan for 2006 to 2009 by July 2006 followed by one or two resource estimates for 2006 under the Australasian Joint Ore Resources Committee code standards.

The overall objective is for the JV Company to transform the current operations, with the assistance and guidance of Micon and SGS, into a world class mining operation. This goal will be accomplished in distinct stages, initially from developing the short-term mining plan and then completion of a scoping study and feasibility study, if necessary.

In the short term, the plan is to complete in-fill drilling, increase production, improve recovery (targeting 92-95%), optimize concentrate grades (targeting 22-25% grades), develop multiple concentrate floatation circuits (copper, lead and zinc), and implement other operational improvements in order to maximize the net smelter return from the sale of concentrate and thereby increase profitability for the JV Company.

If it proves to be economically viable to enlarge the mining capacity, the mine will operate for a minimum of 15 years at an expanded mining rate of around 13,000 to 15,000 tonnes per day.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement.

“Agency Agreement”	a fiscal agency agreement to be entered into by the Company with the Agent and J.P. Morgan Bank Luxembourg S.A. under which the Agent will be appointed as the fiscal agent, principal payment and conversion agent, and transfer agent in relation to the Convertible Bonds and the J.P. Morgan Bank Luxembourg S.A. will be appointed as registrar in respect of the Convertible Bonds;
“Agent”	JPMorgan Chase Bank, N.A.;
“associates”	has the meaning ascribed to it in the Listing Rules;
“Bondholders”	holders of the Convertible Bonds;
“Board”	the board of Directors;
“Company” or “Issuer”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the HK Stock Exchange and the Frankfurt Stock Exchange;
“Conversion Shares”	the Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds;
“Convertible Bonds”	a US\$20 million 12% guaranteed convertible bond due 2009, comprising the Tranche A Convertible Bonds and the Tranche B Convertible Bonds;
“Directors”	the directors of the Company;

“General Mandate”	the general mandate given to the Directors to allot, issue and deal with the Shares by a resolution approved by the Shareholders at the annual general meeting of the Company held on 14 September 2005;
“Group”	the Company and its subsidiaries;
“Guarantee”	a guarantee to be given by RML in favour of the Security Agent guaranteeing the due payment of all sums to be payable by the Company in respect of the Convertible Bonds;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Issue Date”	the date of issue of the Convertible Bonds which is expected to be on 31 March 2006, or such other date as agreed between the Company and the Purchasers;
“JV Company”	Yunnan Simao Shanshui Copper Company Limited, an equity joint venture enterprise established by YRC, RML and SSM pursuant to the JV Contract;
“JV Contract”	the joint venture agreement dated 14 February 2006 between YRC, RML and SSM in relation to the establishment of the JV Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time;
“Maturity Date”	31 March 2009;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchase Agreement”	the purchase agreement dated 30 March 2006 entered into between the Company and the Purchasers in relation to the issue of the Convertible Bonds;
“Purchasers”	MLP Investments (Caymans), Ltd., Highbridge International LLC, Highbridge Asia Opportunities Fund LP and J.P. Morgan Securities Ltd.;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;

“RMJ”	Regent Metals (Jersey) Limited, a company incorporated in Jersey with limited liability, an indirect wholly-owned subsidiary of the Company;
“RMJ Charge”	a share charge to be given by RMJ in favour of the Security Agent to secure RML’s obligations under the Guarantee;
“RML”	Regent Metals Limited, a company incorporated in Barbados with limited liability, an indirect wholly-owned subsidiary of the Company;
“RML Charge”	a floating charge to be given by RML in favour of the Security Agent over all its assets and undertaking and a charge over a specified bank account in to which all dividend payments and other distributions, including without limitation, proceeds of sale of assets made by the JV Company, will be made;
“Security Agent”	Pacific Alliance Investment Management Limited, holding the security interests created by the Guarantee and the Security Documents for and on behalf of the holder(s) of the Convertible Bonds;
“Security Documents”	mean the RML Charge and the RMJ Charge ;
“Share(s)”	share(s) of a nominal value of US\$0.01 each in the capital of the Company or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company;
“Shareholders”	holders of the Shares;
“SSM”	Simao Shanshui Minerals Ltd, a company with independent legal person status established under the laws of the PRC;
“Tranche A Convertible Bonds”	convertible bonds with a principal amount of US\$7.4 million (approximately HK\$57.73 million) to be issued by the Company to the Purchasers;
“Tranche A Shares”	the Shares to be issued by the Company on conversion of the Tranche A Convertible Bonds;
“Tranche B Convertible Bonds”	convertible bonds with a principal amount of US\$12.6 million (approximately HK\$98.30 million) to be issued by the Company to the Purchasers;

“Tranche B Shares”	the Shares to be issued by the Company on conversion of the Tranche B Convertible Bonds;
“US\$”	US dollars, the lawful currency of the United States of America;
“YRC”	Yuxi Resources Corporation, a company with independent legal person status established under the laws of the PRC;
“%”	per cent.

*Note: Unless otherwise specified herein, amounts denominated in RMB and HK\$ have been translated, for the purpose of illustration only, into US\$ using the rate of US\$1 = RMB8 and US\$1 = HK\$7.8014. No representation is made that any amount in US\$, HK\$ or RMB could have been or could be converted at the above rates or at any other rates at all.*

On behalf of the Board of  
**Regent Pacific Group Limited**

**Jamie Gibson**  
*Director*

**Directors of the Company:**

James Mellon (*Chairman*)\*  
 Jamie Gibson (*Chief Executive Officer*)  
 Clara Cheung  
 David Comba#  
 Julie Oates#  
 Patrick Reid#  
 Mark Searle#  
 Jayne Sutcliffe\*  
 Anderson Whamond\*

\* Non-Executive Directors

# Independent Non-Executive Directors

Hong Kong, 30 March 2006

Please also refer to the published version of this announcement in The Standard.