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If you are in any doubt as to any aspect of this circular 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 or transferred all your shares in the Company, you should at once hand this circular and accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

**(1) CONNECTED TRANSACTION
LOAN CAPITALISATION INVOLVING
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Maxa Capital Limited

Capitalised terms used on this cover page have the same meaning as defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the EGM to be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong, on Thursday, 19 June 2025 at 3:30 p.m. or immediately after the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and place, whichever is later is set out on pages 38 to 40 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend and vote at the EGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. Tuesday, 17 June 2025 at 3:30 p.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

No corporate gifts or refreshments will be provided at the EGM.

16 May 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 Annual Report”	the annual report of the Company for the year ended 31 December 2024
“Accrued Interest”	the total outstanding interest accrued on the Loan, being US\$146,484 (approximately HK\$1,138,034.20), as at the date of the Debt Settlement Agreement
“Announcement”	the announcement of the Company dated 7 April 2025 in relation to the Loan Capitalisation
“associate”	has the meaning as ascribed to it in the Listing Rules
“Board”	board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities in Hong Kong
“Capitalisation Price”	HK\$0.485 per Capitalisation Share
“Capitalisation Shares”	63,377,163 Shares to be allotted and issued to the Subscriber by the Company at the Capitalisation Price pursuant to the Debt Settlement Agreement, each a Capitalisation Share
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Completion”	completion of the Loan Capitalisation pursuant to the terms and conditions of the Debt Settlement Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning as ascribed to it in the Listing Rules
“Debt Settlement Agreement”	the conditional agreement dated 7 April 2025 entered into between the Subscriber and the Company in relation to the Loan Capitalisation
“Director(s)”	Director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate)

DEFINITIONS

“Facility”	the facility letter dated 20 March 2025 entered into between the Subscriber and the Company on 20 March 2025, in which the Subscriber has agreed to provide financial support to the Company of an amount up to US\$5 million (approximately HK\$38,845,000) for the Company to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations for at least the next twelve (12) months from date of the facility letter. As at the date of the Debt Settlement Agreement, the Subscriber has advanced US\$810,000 (approximately HK\$6,292,890) under the Facility to the Company, excluding any accrued interest thereon
“Galloway” or “Subscriber”	Galloway Limited, a private limited liability company which is indirectly wholly-owned by Mr Mellon
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors
“Independent Financial Adviser”	Maxa Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Debt Settlement Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than those who are required under the Listing Rules to abstain from voting on the resolution to be proposed at the EGM
“Indigo”	Indigo Securities Limited, a private limited liability company which is indirectly wholly-owned by Mr Mellon
“Latest Practicable Date”	9 May 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Loan”	the unsecured loans under the Shareholder’s Loans and the Facility in the aggregate outstanding principal amount of US\$3,810,000 (approximately HK\$29,599,890), due from the Group to the Subscriber, as at the date of the Debt Settlement Agreement

DEFINITIONS

“Loan Capitalisation”	conversion of the Loan and the Accrued Interest into the share capital of the Company by applying such the Loan and the Accrued Interest in payment of the subscription amount credited as fully paid to the Subscriber under the Debt Settlement Agreement
“Long Stop Date”	the date upon the expiry of six (6) months from the date of the Debt Settlement Agreement, or such other date as the parties may agree in writing
“Mr Mellon”	Mr James Mellon, a substantial shareholder of the Company who is also a non-executive Director and the chair of the Board
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Shareholder’s Loans”	the loan agreements under which the Subscriber provides financing to the Company, consisting of: (i) a loan agreement dated 27 March 2024, for an amount up to US\$2,000,000 (approximately HK\$15,538,000); and (ii) a loan agreement dated 19 November 2024, for an amount up to US\$1,000,000 (approximately HK\$7,769,000), exclusive of any accrued interest. As at the date of the Debt Settlement Agreement, the Subscriber has advanced US\$3,000,000 (approximately HK\$23,307,000) under the Shareholder’s Loans to the Company, excluding any accrued interest thereon
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s), with voting rights, of US\$0.001 each in the capital of the Company, which are listed on the Main Board of the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Capitalisation Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	the United States of America
“US\$”	US dollars, the lawful currency in the US
“%”	per cent.

Note: Unless otherwise specified herein, the amounts dominated into US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.769.

LETTER FROM THE BOARD



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

Executive Director:

Jamie Gibson (*Chief Executive Officer*)

Non-Executive Directors:

James Mellon (*Chairman*)

Jayne Sutcliffe

Independent Non-Executive Directors:

Mark Searle

Adrian Chan

Ihsan Al Chalabi

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Principal Place of Business

in Hong Kong:

8th Floor

Henley Building

5 Queen's Road Central

Hong Kong

16 May 2025

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION
LOAN CAPITALISATION INVOLVING
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate); (ii) recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate); and (iv) a notice of the EGM.

LETTER FROM THE BOARD

2. THE DEBT SETTLEMENT AGREEMENT

On 7 April 2025 (after the Stock Exchange trading hours), the Company (as issuer) and Galloway (as Subscriber) entered into the Debt Settlement Agreement, pursuant to which the parties conditionally agreed that the Subscriber shall subscribe for, and the Company shall allot and issue, a total of 63,377,163 Capitalisation Shares at the Capitalisation Price of HK\$0.485 per Capitalisation Share. The aggregate Capitalisation Price of all Capitalisation Shares payable by the Subscriber shall be satisfied by capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20), upon Completion.

The Loan was provided by the Subscriber to the Group for the purpose of financing its general working capital requirements. As at the date of the Debt Settlement Agreement, the Loan represented the aggregate outstanding principal amount of US\$3,810,000 (approximately HK\$29,599,890) and the Accrued Interest was US\$146,484 (approximately HK\$1,138,034.20). The Loan is unsecured and bears interest at the rates ranging from 8% to 12% per annum.

THE DEBT SETTLEMENT AGREEMENT

The principal terms of the Debt Settlement Agreement are as follows:

- Date : 7 April 2025 (after the Stock Exchange trading hours)
- Parties : 1. the Company (as the issuer); and
2. Galloway (as the Subscriber).

Number of Capitalisation Shares

The Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 63,377,163 Capitalisation Shares at the Capitalisation Price of HK\$0.485 per Capitalisation Share. The aggregate Capitalisation Price payable by the Subscriber under the Debt Settlement Agreement shall be satisfied by capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20), upon Completion.

The Capitalisation Shares represent (i) approximately 27.74% of the total number of issued Shares as at the date of the Debt Settlement Agreement and the Latest Practicable Date; and (ii) approximately 21.72% of the total number of issued Shares as enlarged by the allotment and issue of the Capitalisation Shares, assuming that there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Capitalisation Shares.

The aggregate nominal value of the Capitalisation Shares (with a par value of US\$0.001 each) is US\$63,377.16.

The Capitalisation Shares to be allotted and issued to the Subscriber will be allotted and issued under the Specific Mandate to be obtained at the EGM.

LETTER FROM THE BOARD

Capitalisation Price

The Capitalisation Price of HK\$0.485 per Capitalisation Share:

- (i) equals to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 7 April 2025, being the date of the Debt Settlement Agreement;
- (ii) represents a premium of approximately 16.00% to the average closing price per Share of HK\$0.419 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Debt Settlement Agreement; and
- (iii) represents a premium of approximately 13.00% to the average closing price per Share of HK\$0.431 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Debt Settlement Agreement.

The theoretical dilution impact, as calculated in accordance with Rule 7.27B of the Listing Rules, is 0%.

The Capitalisation Price was arrived at on an arm's length basis between the Company and the Subscriber after taking into account the following factors:

- (i) the total outstanding amount under the Loan;
- (ii) the recent trading performance of the Shares;
- (iii) the recent market condition, which suggests that it would be difficult for the Company to pursue either sizeable equity financing alternatives in the stock market or bank financing; and
- (iv) the current financial position and the business prospect of the Group: The Group recorded a net current liability of US\$5.05 million (approximately HK\$39.23 million) and a net liability of US\$5.90 million (approximately HK\$45.84 million) as at 31 December 2024. The Company foresees that it will not be able to generate enough revenue to maintain its normal operations in 2025. The Capitalisation Price equals the prevailing market price as at the date of the Debt Settlement Agreement and it will have a positive effect on the Group's financial position and strengthen its net asset value, demonstrating the Subscriber's strong support for the Group's operations and confidence in the Group's business prospects.

The Directors (other than the independent non-executive Directors, whose views are set out in the Letter from the Independent Board Committee in this circular) consider that the Capitalisation Price and the terms of the Debt Settlement Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The amount of the total Capitalisation Price shall be satisfied by way of capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20). In addition, the Group will use its internal resources to settle the professional fees and all related expenses (expected to be approximately HK\$370,000) which may be borne by the Company in connection with the Loan Capitalisation.

LETTER FROM THE BOARD

Conditions Precedent

Completion of the Debt Settlement Agreement is conditional upon the fulfilment of the following conditions:

- (i) the Board having passed and approved the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate);
- (ii) the Independent Shareholders having approved and passed at the EGM, of the necessary resolution to approve the Debt Settlement Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate);
- (iii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Capitalisation Shares and such approval and permission having not subsequently been revoked or withdrawn prior to the commencement of dealings in the Capitalisation Shares on the Stock Exchange;
- (iv) the representations and warranties given by the parties under the Debt Settlement Agreement being true and accurate and not misleading when made and remaining true and accurate and not misleading until the Completion Date; and
- (v) all necessary consents and approvals required to be obtained on the part of the Company in respect of Debt Settlement Agreement and the transactions contemplated thereunder having been obtained.

Save for condition (iv) above which can be waived by the Subscriber by notice in writing to the Company, none of the above conditions may be waived by the Company or the Subscriber. If any of the conditions set out above is not fulfilled or waived (as the case may be) on or before the Long Stop Date, the Debt Settlement Agreement shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of such Debt Settlement Agreement.

Completion

Completion shall take place on or before the tenth (10th) Business Day following the day upon which the conditions precedent have been satisfied or waived (as the case may be), or such later date as may be agreed between the Company and the Subscriber in writing.

Ranking of the Capitalisation Shares

The Capitalisation Shares when allotted and issued, shall rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Capitalisation Shares including all dividends declared or payable or distribution made or proposed on or after the Completion Date.

LETTER FROM THE BOARD

3. INFORMATION ON THE PARTIES

The Company and the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The Group is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors.

The Subscriber

As at the Latest Practicable Date, the Subscriber beneficially owned 86,193,787 Shares, representing approximately 37.73% of the issued share capital of the Company, and was therefore a controlling shareholder of the Company. The Subscriber was indirectly wholly-owned by Mr Mellon, the chair of the Board and a non-executive Director and held 40,380,607 Shares as a beneficial owner and beneficially owned 2,579,190 Shares and 86,193,787 Shares, via Indigo and Galloway respectively, which were corporations wholly-owned by Mr Mellon, representing in aggregate approximately 56.54% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules.

4. REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION

Given the Group's current financial position, the Group is not in a position to repay the amount due to the Subscriber without tightening its existing financial resources. Given the continuous loss-making financial performance, the Group's liquidity position has not improved. According to the 2024 Annual Report, if excluding the cash inflow from the Loan, cash and cash equivalents of the Group would have changed adversely from approximately US\$0.13 million (approximately HK\$1.01 million) to approximately a negative amount of US\$1.56 million (approximately a negative amount of HK\$12.12 million) as at 31 December 2024. For the twelve months ended 31 December 2024, the Group recorded a net loss of approximately US\$4.48 million (approximately HK\$34.81 million) and net cash used in operating activities of approximately US\$4.03 million (approximately HK\$31.31 million). Due to liquidity pressure and in order to achieve healthy cashflow level, the Group would like to retain cash for general working capital and/or potential business opportunities that may arise in the future (if any). Currently, there are no business opportunities that the Company is interested in or intends to pursue. However, the Company remains open to considering future opportunities as they arise. The Loan Capitalisation enables the Group to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows. Upon the completion of the Loan Capitalisation, the Group's total liabilities will be reduced by US\$3,956,484 (approximately HK\$30,737,924.20). If the Loan Capitalisation had been completed as at the Latest Practicable Date, the Group's estimated total liabilities and net liability as at the Latest Practicable Date will be adjusted to approximately US\$4.03 million (approximately HK\$31.31 million) and approximately US\$3.40 million (approximately HK\$26.41 million) respectively.

The Directors have considered alternative means for raising funds to settle the Loan, such as bank borrowings, share placement or rights issue. However, having taken into account that:

- (i) debt financing and bank borrowing will inevitably increase the indebtedness of the Group and lenders generally require a pledge of assets from the borrower; the management of the Company discussed with two banks of the Company's intention to raise debt, yet the banks assessed the Company's financial position and informed the Company's management that the likelihood of the Group's success in obtaining a debt financing is low because (a) the Group has been loss-making over the years, and (b) the Group has weak fixed assets base which is not quite suitable to be used as security for loans;

LETTER FROM THE BOARD

- (ii) other equity financing such as placing of new shares and rights issue usually requires an attractive discount to the prevailing market price of the Shares and is relatively more time consuming and less cost effective as compared to the Loan Capitalisation. Raising equity will be time consuming due to the due diligence requirements of potential investors, valuation negotiations, regulatory compliance and general market conditions, all of which contribute to the overall time required to successfully raise equity financing from external investors;
- (iii) the Loan Capitalisation will reduce the indebtedness of the Group without cash outflows;
- (iv) the Capitalisation Price equals the prevailing market price of the Shares as at the date of the Debt Settlement Agreement; and
- (v) the Loan Capitalisation demonstrates the support and solid confidence given by the Subscriber and its ultimate beneficial owner (Mr Mellon) towards the long-term development of the Group,

the Directors consider that the Loan Capitalisation is a more desirable option for the Group to settle the Loan.

Although the allotment and issue of the Capitalisation Shares will have a dilution effect to the existing Independent Shareholders, having considered (i) the Loan Capitalisation can alleviate the repayment pressure of the Group and the Capitalisation Price equals the prevailing market price of the Shares as at the date of the Debt Settlement Agreement; and (ii) the Capitalisation Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will (a) enlarge the capital base from 228,438,619 issued Shares to 291,815,782 issued Shares; and (b) reduce the net liability position of Company as the Loan and the Accrued Interest, amounting to approximately US\$3.95 million (approximately HK\$30.74 million), will be settled upon Completion, the Directors are of the view that the dilution effect arising from the allotment and issue of the Capitalisation Shares is justifiable in this regard.

In view of the above, the Directors (other than the independent non-executive Directors, whose views are set out in the Letter from the Independent Board Committee in this circular) consider that the terms of the Debt Settlement Agreement are fair and reasonable, and the Loan Capitalisation is in the interest of the Company and the Shareholders as a whole.

5. EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had not conducted any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date.

6. SPECIFIC MANDATE

The Capitalisation Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

7. USE OF PROCEEDS

As the aggregate Capitalisation Price payable by the Subscriber under the Debt Settlement Agreement shall be satisfied by capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20), upon Completion, there will be no remaining net proceeds from the allotment and issue of the Capitalisation Shares available to be utilised by the Company.

LETTER FROM THE BOARD

8. APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

9. EFFECT OF THE LOAN CAPITALISATION ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion and the allotment and issue of the Capitalisation Shares as contemplated under the Loan Capitalisation (assuming there are no other changes to the issued share capital of the Company between the Latest Practicable Date and the Completion Date save for the allotment and issue of the Capitalisation Shares):

Name of Shareholders	As at the Latest Practicable Date		Immediately after the completion of allotment and issue of the Capitalisation Shares	
	No. of Shares	Approximate	No. of Shares	Approximate
		%		%
Mr Mellon ^(Note 2)	40,380,607	17.68%	40,380,607	13.84%
Galloway ^(Note 1)	86,193,787	37.73%	149,570,950	51.26%
Indigo ^(Note 1)	2,579,190	1.13%	2,579,190	0.88%
Mr Mellon's parents	21,500	0.01%	21,500	0.01%
Jamie Gibson ^(Note 2)	6,939,674	3.04%	6,939,674	2.38%
Jayne Sutcliffe ^(Notes 2 and 3)	85,802	0.04%	85,802	0.03%
Mark Searle ^(Note 2)	218,754	0.10%	218,754	0.07%
Ihsan Al Chalabi ^(Note 2)	15,750	0.01%	15,750	0.01%
Anderson Whamond ^(Note 4)	140,000	0.06%	140,000	0.05%
Public Shareholders	<u>91,863,555</u>	<u>40.20%</u>	<u>91,863,555</u>	<u>31.47%</u>
Total	<u>228,438,619</u>	<u>100.00%</u>	<u>291,815,782</u>	<u>100.00%</u>

Notes:

- Both Galloway and Indigo are indirectly wholly-owned by Mr Mellon.
- Mr Mellon, Jamie Gibson, Jayne Sutcliffe, Mark Searle and Ihsan Al Chalabi are Directors.
- Jayne Sutcliffe is a non-executive Director. She is also regarded as acting in concert with Mr Mellon for the purpose of the Takeovers Code.
- Anderson Whamond is a former Director. He is also regarded as acting in concert with Mr Mellon for the purpose of the Takeovers Code.
- The percentage figures have been subject to rounding. Any discrepancies between actual and total amounts listed therein are due to rounding adjustments.

As at the Latest Practicable Date, the number of Shares held by Galloway, Mr Mellon and their respective associates represent, in aggregate, approximately 56.55% of the issued share capital of the Company.

Upon completion of the Loan Capitalisation, the number of Shares to be held by Galloway, Mr Mellon and their respective associates will represent, in aggregate, approximately 65.98% of the issued share capital of the Company.

LETTER FROM THE BOARD

10. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Subscriber beneficially owned 86,193,787 Shares, representing approximately 37.73% of the issued share capital of the Company. The Subscriber was indirectly wholly-owned by Mr Mellon, the chair of the Board and a non-executive Director and held 40,380,607 Shares as a beneficial owner and beneficially owned 2,579,190 Shares and 86,193,787 Shares, via Indigo and Galloway respectively, which were corporations indirectly wholly-owned by Mr Mellon, representing in aggregate approximately 56.54% of the issued share capital of the Company.

Therefore, the Subscriber is the controlling shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Debt Settlement Agreement and the transactions contemplated therein (including the allotment and issue of the Capitalisation Shares under the Specific Mandate) constitute a connected transaction of the Company, and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The approval for the grant of the Specific Mandate for the allotment and issue of the Capitalisation Shares under the Specific Mandate is proposed to be obtained from the Independent Shareholders at the EGM under Rule 13.36(1)(a) of the Listing Rules.

Mr Mellon, being the chair of the Board and a non-executive Director, and Jayne Sutcliffe who is regarded as a concert party of Mr Mellon, are considered to have a material interest in the transactions contemplated under the Debt Settlement Agreement. Therefore, Mr Mellon and Jayne Sutcliffe had abstained from voting on the Board resolutions approving the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). Save as disclosed above, no other Directors were considered to have a material interest in the Debt Settlement Agreement and the transactions contemplated therein or is otherwise required to abstain from voting on the Board resolutions in relation to the aforesaid matters at the EGM.

11. ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) are fair and reasonable, whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group, whether the connected transaction is in the interests of the Company and its shareholders as a whole, and how to vote at the EGM. Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

12. EGM

The EGM will be convened at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Thursday, 19 June 2025 at 3:30 p.m. or immediately after the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and place, whichever is later, for the purpose of considering and, if thought fit, approving the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate).

LETTER FROM THE BOARD

Set out on pages 38 to 40 of this circular is a notice convening the EGM to consider and, if appropriate, to approve the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). A form of proxy for use by the Shareholders at the EGM or any adjourned meeting is also enclosed herewith.

Whether or not you intend to attend and vote at the EGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. Tuesday, 17 June 2025 at 3:30 p.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. No corporate gifts or refreshments will be provided at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the EGM will be voted by poll.

The Subscriber beneficially owned 86,193,787 Shares, representing approximately 37.73% of the issued share capital of the Company as at the Latest Practicable Date. The Subscriber, Mr Mellon and their respective associates shall abstain from voting on the resolution to approve the Debt Settlement Agreement and the transactions contemplated thereunder at the EGM (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate).

Other than the Subscriber, Mr Mellon and their respective associates, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Debt Settlement Agreement and the transactions contemplated therein (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) or is otherwise required to abstain from voting on the resolution in relation to the aforesaid matters at the EGM.

13. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2025.

14. RECOMMENDATION

The Directors (including the independent non-executive Directors but excluding Mr Mellon and Jayne Sutcliffe (who is regarded as a concert party of Mr Mellon) who are considered to have a material interest in the transactions contemplated under the Debt Settlement Agreement) consider that, although the entering into of the Debt Settlement Agreement is not conducted in the ordinary and usual course of business of the Company, the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) are fair and reasonable and the connected transaction is in the interests of the Company and the Shareholders as a whole so far as the Independent Shareholders are concerned, and recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

LETTER FROM THE BOARD

15. GENERAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information of the Group set out in the appendix to this circular.

Completion of the Loan Capitalisation is subject to the satisfaction or waiver (as the case may be) of the conditions precedent in the Debt Settlement Agreement, and therefore the Loan Capitalisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By order of the Board
Regent Pacific Group Limited
Jamie Gibson
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of a letter from the Independent Board Committee setting out its recommendation for the purpose of inclusion in this circular.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

16 May 2025

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION
LOAN CAPITALISATION INVOLVING
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND**

(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

We refer to the circular dated 16 May 2025 issued by the Company (the “Circular”) to the Shareholders of which this letter forms part. The capitalised terms defined in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed as the members of the Independent Board Committee to advise the Independent Shareholders as to (i) whether the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) are fair and reasonable; (ii) whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) whether the connected transaction is in the interests of the Company and the Shareholders as a whole; and (iv) how to vote on the connected transaction at the EGM.

Maxa Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Debt Settlement Agreement and the transactions contemplated thereunder. The letter of advice from Maxa Capital Limited containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 16 to 31 of the Circular.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 13 of the Circular and the text of a letter of advice from the Independent Financial Adviser, as set out on pages 16 to 31 of the Circular, both of which provide details of the terms of the Debt Settlement Agreement and the transactions contemplated thereunder. After taking into account the factors and reasons considered by the Independent Financial Adviser and their conclusion and advice, we concur with their views and consider that although the entering into of the Debt Settlement Agreement is not conducted in the ordinary and usual course of business of the Group, the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) are fair and reasonable, the connected transaction is on normal commercial terms and is in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully
For and on behalf of
the Independent Board Committee of
Regent Pacific Group Limited

Mark Searle
*Independent Non-Executive
Director*

Adrian Chan
*Independent Non-Executive
Director*

Ihsan Al Chalabi
*Independent Non-Executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares under the Specific Mandate), which has been prepared for the purpose of inclusion in this circular.



Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan, Hong Kong

16 May 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION LOAN CAPITALISATION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares under the Specific Mandate), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company dated 16 May 2025 (the “**Circular**”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 7 April 2025 (after the Stock Exchange trading hours), the Company (as issuer) and Galloway (as subscriber) entered into the Debt Settlement Agreement, pursuant to which the parties conditionally agreed that the Subscriber shall subscribe for, and the Company shall allot and issue, a total of 63,377,163 Capitalisation Shares at the Capitalisation Price of HK\$0.485 per Capitalisation Share. The aggregate Capitalisation Price of all Capitalisation Shares payable by the Subscriber shall be satisfied by capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20), upon Completion.

The Capitalisation Shares represent (i) approximately 27.74% of the total number of issued Shares as at the date of the Debt Settlement Agreement and the Latest Practicable Date; and (ii) approximately 21.72% of the total number of issued Shares as enlarged by the allotment and issue of the Capitalisation Shares immediately after Completion, assuming that there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Capitalisation Shares. The Capitalisation Shares to be allotted and issued to the Subscriber will be allotted and issued under the Specific Mandate to be obtained at the EGM. As at the Latest Practicable Date, the number of Shares held by Galloway, Mr Mellon and their respective associates represent, in aggregate, approximately 56.55% of the issued share capital of the Company. Upon completion of the Loan Capitalisation, the number of Shares to be held by Galloway, Mr Mellon and their respective associates will represent, in aggregate, approximately 65.98% of the issued share capital of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Subscriber beneficially owned 86,193,787 Shares, representing approximately 37.73% of the issued share capital of the Company and was therefore a controlling shareholder of the Company. The Subscriber was indirectly wholly-owned by Mr Mellon, the chair of the Board and a non-executive Director and held 40,380,607 Shares as a beneficial owner and beneficially owned 2,579,190 Shares and 86,193,787 Shares, via Indigo and Galloway respectively, which were corporations indirectly wholly owned by Mr Mellon, representing in aggregate approximately 56.54% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) constitute a connected transaction of the Company, and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). The Subscriber, Mr Mellon and their respective associates shall abstain from voting on the resolution to approve the Debt Settlement Agreement and the transactions contemplated thereunder at the EGM (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). Other than the Subscriber, Mr Mellon and their respective associates, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) or is otherwise required to abstain from voting on the resolution in relation to the aforesaid matters at the EGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr Mark Searle, Mr Adrian Chan and Mr Ihsan Al Chalabi, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). We, Maxa Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). In the past two years, we were appointed by the Company as the independent financial adviser in respect of the adjustments to the exercise prices and number of Shares to be issued upon full exercise of the outstanding share options, details of which were set out in the announcement of the Company dated 1 June 2023. The aforesaid previous appointment was limited to providing one-off independent advisory service, for which we received normal professional fees. Accordingly, we do not consider the previous appointment gives rise to any conflict for us in acting as the Independent Financial Adviser in respect of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate). Apart from normal advisory fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any other fees or benefits from the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have reviewed, among others, (i) the Debt Settlement Agreement; (ii) the agreements in relation to the Shareholder Loans and Facility; (iii) the annual report for the year ended 31 December 2023 of the Company (the “**2023 AR**”); and (iv) the annual results announcement for the year ended 31 December 2024 of the Company (the “**2024 ARA**”). We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and management of the Company (the “**Management**”). We have assumed that (i) all statements, information, opinions and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely and wholly responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in the Circular or doubt the truth, accuracy and completeness of the information and facts, or the reasonableness of the representations and opinions expressed by the Company, the Management and the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification on the information contained in the Circular and provided to us by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, 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 in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate), we have taken into consideration the following principal factors and reasons:

1. Background of the Loan Capitalisation

1.1 Information of the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange and are also traded on the open market (Freiverkehr) of the Frankfurt Stock Exchange. The Group is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors.

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2022, 2023 and 2024 (“FY2022”, “FY2023” and “FY2024”, respectively) as extracted from the 2023 AR and 2024 ARA:

	For the year ended					
	2022		31 December		2024	
	2023	2024	2023	2024	2023	2024
	US\$'000	% of	US\$'000	% of	US\$'000	% of
	<i>(audited)</i>	<i>revenue</i>	<i>(audited)</i>	<i>revenue</i>	<i>(audited)</i>	<i>revenue</i>
Revenue	223		317		804	
– Royalty income	35	15.70%	171	53.94%	154	19.15%
– Signature payment	–	–	–	–	500	62.19%
– Income generated from the intellectual property (“IP”) of Deep Longevity, Inc (“DLI”)	79	35.43%	120	37.85%	65	8.08%
– Other income	109	48.88%	26	8.20%	85	10.57%
Exchange gains/(losses), net	(109)		169		(68)	
Fair value gain/(loss) on financial assets at fair value through profit or loss (“FAFVPL”)	(353)		(38)		–	
Gain/(loss) on disposal of FAFVPL	(3,781)		91		(80)	
Total revenue and fair value gain/ (loss) on financial instruments	(4,020)		539		656	
Loss from operations	(34,995)		(30,383)		(4,437)	
Loss for the year	(36,427)		(25,049)		(4,482)	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2023 VS FY2022

As disclosed in the 2023AR, the total revenue of the Group was approximately US\$0.32 million for FY2023, representing an increase of approximately US\$0.09 million or approximately 42.2% as compared to approximately US\$0.22 million for FY2022. The Group's royalty income represents the revenue derived from the milestone and royalty income of Fortacin™/Senstend™ (the marketing name for Fortacin™ in China). Fortacin™ product is a treatment for male premature ejaculation that obtained marketing authorisation from the European Medicines Agency in 2013. The Group does not directly engage in the manufacturing or marketing of Fortacin™ as these operational aspects have been and continue to be completely outsourced to selected commercial partners, and instead the Group manages its investment by way of managing the flow of licensing and royalty payments that flow from sales of Fortacin™ in the licensed territories. The royalty income of approximately US\$0.17 million for FY2023 mainly represented the royalty fee income generated from the sales of Fortacin™ in certain countries in Europe. DLI is a subsidiary of the Company and specialises in the field of longevity. DLI develops explainable and user-friendly artificial intelligence systems to track the rate of human aging at the molecular, cellular, tissue, organ, system, physiological and psychological levels. It is also developing systems for the emerging field of longevity medicine that may slow down or reverse the aging processes. The income of approximately US\$0.12 million generated from DLI for FY2023 mainly represented revenue derived from its customers for the use of DLI's aging clock platform.

The Group recorded a loss for the year of approximately US\$25.05 million for FY2023, representing a decrease of approximately US\$11.37 million or 31.2%, as compared to approximately US\$36.43 million for FY2022. Such reduction in loss for FY2023 was primarily attributable to (i) the disposal of FAFVPL led to a gain of approximately US\$0.09 million for FY2023, comparing with a loss of approximately US\$3.78 million for FY2022 resulting from the disposal of the shares of DEVELOP Global Limited, a company listed on Australian Securities Exchange; and (ii) an income tax credit of approximately US\$5.41 million for FY2023, comparing with an income tax expense of approximately US\$0.42 million for FY2022, which was mainly caused by the reduction in effect on deferred tax balance resulting from a change in tax rate from approximately US\$5.16 million in FY2022 to US\$nil in FY2023.

FY2024 VS FY2023

As disclosed in the 2024 ARA, the total revenue of the Group was approximately US\$0.80 million for FY2024, representing an increase of approximately US\$0.5 million or approximately 153.6% as compared to approximately US\$0.32 million for FY2023. The increase in revenue for FY2024 was mainly attributed to a signature payment of US\$0.50 million received from Kobayashi Pharmaceutical Co., Ltd. ("**Kobayashi**"), a company registered in Japan, in July 2024 for licensing-out the rights to commercialise Fortacin™ by way of the sale and, among other things, distribution of Fortacin™ in Japan.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a loss for the year of approximately US\$4.48 million for FY2024, representing a decrease of approximately US\$20.57 million or 82.1%, as compared to approximately US\$25.05 million for FY2023. Such reduction in loss for FY2024 was primarily attributable to amortisation of intangible assets turned from approximately US\$22.18 million in FY2023 to US\$nil for FY2024, which was mainly due to the patent (Fortacin™) being fully amortised in FY2023.

	As at 31 December		
	2022	2023	2024
	US\$'000 (audited)	US\$'000 (audited)	US\$'000 (audited)
Non-current assets	24,006	10	9
Current assets	2,312	2,785	601
Total assets	26,318	2,795	610
Non-current liabilities	(5,405)	(765)	(862)
Current liabilities	(18,316)	(3,581)	(5,649)
Total liabilities	(23,721)	(4,346)	(6,511)
Net current liabilities	(16,004)	(796)	(5,048)
Net assets/(liabilities)	2,597	(1,551)	(5,901)

FY2023 VS FY2022

The Group's total assets decreased from approximately US\$26.32 million as at 31 December 2022 to approximately US\$2.80 million as at 31 December 2023, which was mainly due to the Company's carrying amount of intangible assets turned from approximately US\$23.70 million as at 31 December 2022 to US\$nil as at 31 December 2023, caused by the amortisation and impairment loss of the Group's patent (Fortacin™) and IP (Deep Longevity) in FY2023. The Group's total assets as at 31 December 2023 mainly comprised of (i) cash and bank balances of approximately US\$2.10 million; and (ii) FAFVPL of approximately US\$0.32 million.

The Group's total liabilities decreased from approximately US\$23.72 million as at 31 December 2022 to approximately US\$4.35 million as at 31 December 2023, which was mainly due to (i) the set-off of unsecured loans from Galloway approximately US\$14.84 million against the issue of rights shares by the Company in January 2023; and (ii) reduction of deferred tax liabilities from approximately US\$5.39 million as at 31 December 2022 to US\$nil as at 31 December 2023 as a result of the change of patent related tax rate. The Group's total liabilities as at 31 December 2023 mainly comprised of (i) trade payables, contract liabilities, accruals and other payables of approximately US\$3.15 million; and (ii) lease liabilities of approximately US\$1.18 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 VS FY2023

The Group's total assets decreased from approximately US\$2.80 million as at 31 December 2023 to approximately US\$0.61 million as at 31 December 2024, which was mainly due to the Company's cash and bank balances decreased from approximately US\$2.10 million as at 31 December 2023 to approximately US\$0.10 million as at 31 December 2024. The Group's total assets as at 31 December 2024 mainly comprised of (i) prepayments, deposits and other receivables of approximately US\$0.37 million; and (ii) cash and bank balances of approximately US\$0.10 million.

The Group's total liabilities increased from approximately US\$4.35 million as at 31 December 2023 to approximately US\$6.51 million as at 31 December 2024, which was mainly due to the Group drawn down an aggregated amount of approximately US\$2.57 million loan from Galloway. The Group's total liabilities as at 31 December 2024 mainly comprised of (i) trade payables, contract liabilities, accruals and other payables of approximately US\$3.17 million; and (ii) shareholder's loans of approximately US\$2.57 million.

Liquidity and net debts position

The Group had net current liabilities of approximately US\$16.00 million, US\$0.80 million and US\$5.05 million as at 31 December 2022, 2023 and 2024 respectively. On the other hand, the Group had total net debts, calculated as total borrowings less cash and bank balances (including restricted bank balances) of approximately US\$13.12 million, US\$nil and US\$2.48 million as at 31 December 2022, 2023 and 2024 respectively.

1.2 Information of the Subscriber

As at the Latest Practicable Date, the Subscriber beneficially owned 86,193,787 Shares, representing approximately 37.73% of the issued share capital of the Company, and was therefore a controlling shareholder of the Company. The Subscriber was indirectly wholly-owned by Mr Mellon, the chair of the Board and a non-executive Director.

2. Reasons for and benefits of the Loan Capitalisation

2.1 Background and reasons of the Loan

With reference to the Board Letter, the Loan was provided by the Subscriber to the Group for the purpose of financing its general working capital requirements. As at the Latest Practicable Date, the Loan represented the aggregate outstanding principal amount of US\$3,810,000 (approximately HK\$29,599,890) and the Accrued Interest was US\$146,484 (approximately HK\$1,138,034.20). The Loan is unsecured and bears interest at the rates ranging from 8% to 12% per annum.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Board Letter, given the Group's current financial position, the Group is not in a position to repay the amount due to the Subscriber without tightening its existing financial resources and furthermore, given the Group has generated losses over the previous years, its liquidity position has not improved. According to the 2024 ARA, if excluding the cash inflow from the Loan, cash and cash equivalents of the Group would have changed adversely from approximately US\$0.13 million (approximately HK\$1.01 million) to approximately a negative amount of US\$1.56 million (approximately a negative amount of HK\$12.14 million) as at 31 December 2024. For FY2024, the Group recorded a net loss of approximately US\$4.48 million (approximately HK\$34.85 million) and net cash used in operating activities of approximately US\$4.03 million (approximately HK\$31.35 million). Due to liquidity pressure and in order to achieve healthy cashflow level, the Group would like to retain cash for general working capital and/or potential business opportunities that may arise in the future (if any). Currently, there are no business opportunities that the Company is interested in or intends to pursue. However, the Company remains open to considering future opportunities as they arise. The Loan Capitalisation enables the Group to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows. Upon the completion of the Loan Capitalisation, the Group's total liabilities will be reduced by US\$3,956,484 (approximately HK\$30,737,924.20). If the Loan Capitalisation had been completed as at the Latest Practicable Date, the Group's estimated total liabilities and net liability as at the Latest Practicable Date will be adjusted to approximately US\$4.03 million (approximately HK\$31.31 million) and approximately US\$3.40 million (approximately HK\$26.41 million), respectively.

As discussed in the sub-section headed "1.1 Information of the Group", the Group recorded loss attributable to the shareholders of the Company of approximately US\$4.48 million for FY2024, representing a decrease of approximately 82.1% as compared to loss attributable to the shareholders of the Company of approximately US\$25.05 million for FY2023. Notwithstanding such significant reduction in loss from its operations, we note that the Group's working capital and financial position had been deteriorating as the Group's net current liabilities and capital deficiency increased from approximately US\$0.80 million and US\$1.55 million as at 31 December 2023 to approximately US\$5.05 million and US\$5.90 million as at 31 December 2024, respectively. As disclosed in the 2024 ARA, the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Material uncertainty exists as to whether the Group will be able to continue as a going concern would depend upon, among others, (a) successful draw down of the facility as and when needed; and (b) successful implementation of measures to effectively control costs and expenses and timely collecting receivables.

As advised by the Management, due to the Group's persistent loss-making and net debt positions, there are practical difficulties for the Group to secure new banking or credit facilities from financial institutions. In light of the above, the Group required Galloway to provide financial assistance in order to replenish the Group's working capital and prevent disruption to the Group's operations. With reference to the Board Letter, the Company has entered into two Shareholder Loans agreements in March 2024 and November 2024, respectively, together with a Facility letter entered into on 20 March 2025 with Galloway, which made available to the Company US\$ loan facility in an aggregate amount of US\$8,000,000 with interest rates ranging from 8% to 12% per annum and repayable within 12 to 18 months from the respectively date of the loan agreements and facility letter (collectively, the "Loan Facilities"). The Company has drawn down an aggregate amount of US\$3,810,000 from the Loan Facilities as of 7 April 2025. Against this backdrop, the Management considers that the Loan Capitalisation would enable the Company to improve its liquidity position, strengthen its capital base and alleviate the interest burden from the Loan.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2.2 Fund raising alternatives

With reference to the Board Letter, the Directors have considered other alternative means for raising funds to settle the Loan, such as bank borrowings, share placement or rights issue. However, having taken into account that: (i) debt financing and bank borrowing will inevitably increase the indebtedness of the Group and lenders generally require a pledge of assets from the borrower, which the Group does not have sufficient assets of value to pledge; (ii) other equity financing such as placing of new shares and rights issue usually requires attractive discount to the prevailing market price of the Shares and is relatively more time consuming and less cost effective as compared to the Loan Capitalisation; (iii) the Loan Capitalisation will reduce the indebtedness of the Group without cash outflows; (iv) the Capitalisation Price equals the prevailing market price of the Shares as at the date of the Debt Settlement Agreement; and (v) the Loan Capitalisation demonstrates the support and solid confidence given by the Subscriber and its ultimate beneficial owner (Mr Mellon) towards the long-term development of the Group, the Directors consider that the Loan Capitalisation is a more desirable option for the Group to settle the Loan.

As part of our due diligence and based on our discussion with the Management:

- (i) in respect of debt financing, the Company has approached two financial institutions in Hong Kong for applying for the new loans. Based on preliminary evaluation of the financial institutions after taking into account the Group's capital deficiency, loss-making position and limited available assets of the Group which can be pledged as collateral to secure certain bank loans, there is practical difficulty for the Company to obtain additional bank borrowings on commercially favourable terms and conditions at acceptable finance cost;
- (ii) for placing of new Shares, we note that the Company also explored with one placing agent on the possibility of issuing new Shares and was given the understanding that, given the Group's unsatisfactory financial performance in recent years, the issuance of new Shares may not be appealing to the market and hence it would be difficult for the Company to attract subscribers and to ascertain market demand and raise sufficient funds without offering a significant discount; and
- (iii) in terms of rights issues or open offer, it generally requires a longer timeframe as it requires relatively lengthy documentation such as preparing prospectus as compared to preparing circular to Shareholders in the case of issue of shares under the specific mandate. In addition, we note that rights issue or open offer are likely to incur additional costs, including but not limited to, underwriting or placing commission and other professional fees, which would be less cost-effective to the Group in view of its current financial position.

Having considered the Loan Capitalisation would (i) deleverage the balance sheet of the Group while maintaining sufficient working capital, thereby alleviating its financial pressure upon repayment of the Loan; (ii) ease the interest burden of the Group and thus improves its liquidity and financial performance; (iii) enable the Group to focus its internal resources on its business development and operation; (iv) demonstrates the support and solid confidence given by the Subscriber and its ultimate beneficial owner towards the long-term development of the Group; and (v) the Loan Capitalisation is a more appropriate and acceptable way of financing for the Company as compared to other fundraising activities, we concur with the Directors' view that the Loan Capitalisation is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the Debt Settlement Agreement and our assessments

3.1 Terms of the Debt Settlement Agreement

The principal terms of the Debt Settlement Agreement are as follows:

Date : 7 April 2025 (after the Stock Exchange trading hours)

Parties : (1) the Company (as the issuer); and
(2) Galloway (as the Subscriber).

Number of Capitalisation Shares : The Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 63,377,163 Capitalisation Shares at the Capitalisation Price of HK\$0.485 per Capitalisation Share. The aggregate Capitalisation Price payable by the Subscriber under the Debt Settlement Agreement shall be satisfied by capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20) upon Completion.

The Capitalisation Shares represent (i) approximately 27.74% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 21.72% of the total number of issued Shares as enlarged by the allotment and issue of the Capitalisation Shares, assuming that there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Capitalisation Shares.

The aggregate nominal value of the Capitalisation Shares (with a par value of US\$0.001 each) is US\$63,377.16.

Capitalisation Price : The Capitalisation Price was arrived at on an arm's length basis between the Company and the Subscriber after taking into account (i) the total outstanding amount under the Loan; (ii) the recent trading performance of the Shares; (iii) the recent market condition, which suggests that it would be difficult for the Company to pursue either sizeable equity financing alternatives in the stock market or bank financing; and (iv) the current financial position and the business prospect of the Group: The Group recorded a net current liability of US\$5.05 million (approximately HK\$39.23 million) and a net liability of US\$5.90 million (approximately HK\$45.84 million) as at 31 December 2024. The Loan Capitalisation is being undertaken at a considerable premium to the prevailing market price and it will have a positive effect on the Group's financial position and strengthen its net asset value, demonstrating the Subscriber's strong support for the Group's operations and confidence in the Group's business prospects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The amount of the total Capitalisation Price shall be satisfied by way of capitalising and setting off against the Loan and the Accrued Interest, amounting to US\$3,956,484 (approximately HK\$30,737,924.20). In addition, the Group will use its internal resources to settle the professional fees and all related expenses (expected to be approximately HK\$370,000) which may be borne by the Company in connection with the Loan Capitalisation.

The Capitalisation Price of HK\$0.485 per Capitalisation Share:

- (i) equal to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 7 April 2025, being the date of the Debt Settlement Agreement;
- (ii) represents a premium of approximately 16.00% to the average closing price per Share of HK\$0.419 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Debt Settlement Agreement; and
- (iii) represents a premium of approximately 13.00% to the average closing price per Share of HK\$0.431 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Debt Settlement Agreement.

The theoretical dilution impact, as calculated in accordance with Rule 7.27B of the Listing Rules, is 0%.

For further details of the Debt Settlement Agreement, such as the Conditions Precedent, Completion, Ranking of the Capitalisation Shares, please refer to the section headed “THE DEBT SETTLEMENT AGREEMENT” in the Board Letter.

3.2 Our assessments on the terms of the Debt Settlement Agreement

We have reviewed the liquidity and daily closing prices of the Shares for the period from 7 April 2024 to 7 April 2025 (being twelve months prior to the date of the Debt Settlement Agreement) and up to the Latest Practicable Date (the “**Review Period**”). We consider that the Review Period is adequate to illustrate the recent liquidity and price movement of the Shares for conducting a reasonable analysis or comparison among the historical Share performance prior to the Latest Practicable Date and such analysis or comparison is relevant for the assessment of the fairness and reasonableness of the Capitalisation Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2.1 Liquidity of the Shares

The following table sets out the total trading volume per month and the average daily trading volume per month of the Share during the Review Period:

Historical monthly trading volume of the Share

Months	Total number of issued Shares at the end of the month/ period	Total trading volume of Share for the month/ period	Number of trading days	Average daily trading volume (Note 1)	Percentage of average daily trading volume to total number of issued Shares (Note 2)	Percentage of average daily trading volume to total number of Shares held by public Shareholders (Note 3)
2024						
April (7th to 30th)	228,392,286	629,032	17	37,002	0.0162%	0.0403%
May	228,392,286	671,832	21	31,992	0.0140%	0.0348%
June	228,392,286	75,388	19	3,968	0.0017%	0.0043%
July	228,438,619	368,088	22	16,731	0.0073%	0.0182%
August	228,438,619	441,178	22	20,054	0.0088%	0.0218%
September	228,438,619	1,633,449	19	85,971	0.0376%	0.0936%
October	228,438,619	3,008,826	21	143,277	0.0627%	0.1560%
November	228,438,619	2,213,106	21	105,386	0.0461%	0.1147%
December	228,438,619	1,251,808	20	62,590	0.0274%	0.0681%
2025						
January	228,438,619	445,909	19	23,469	0.0103%	0.0255%
February	228,438,619	2,051,956	20	102,598	0.0449%	0.1117%
March	228,438,619	718,152	21	34,198	0.0150%	0.0372%
April	228,438,619	5,275,129	19	277,638	0.1215%	0.3022%
May (1st to 9th)	228,438,619	1,285,521	5	257,104	0.1125%	0.2799%
Minimum					0.0017%	0.0043%
Maximum					0.1215%	0.3022%
Average					0.0376%	0.0935%

Source: The Stock Exchange

Notes:

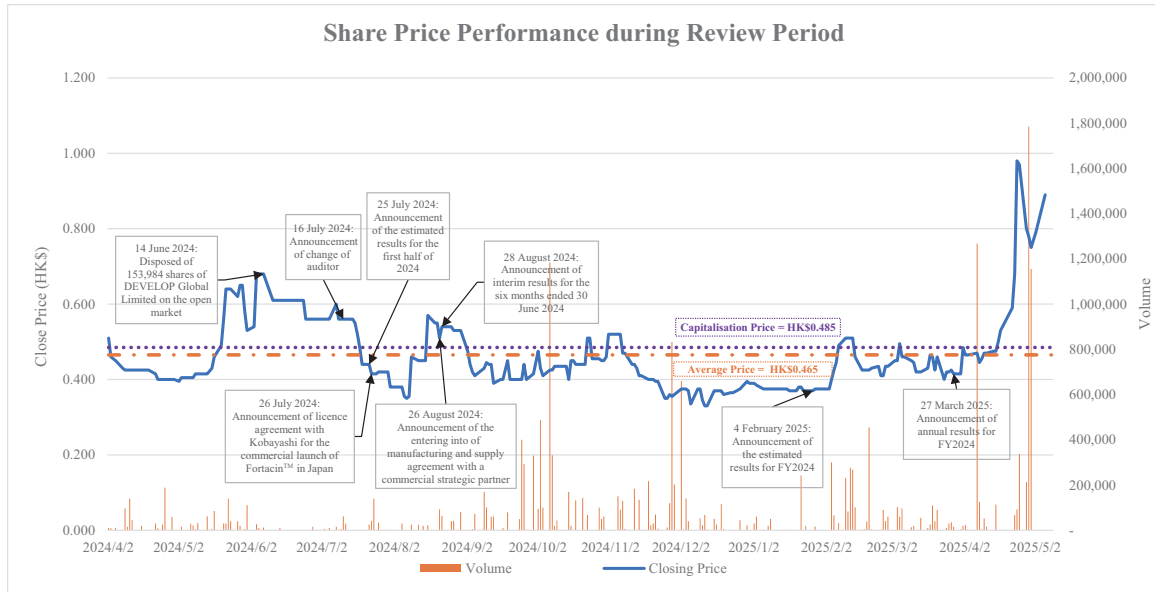
1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. It is calculated by dividing the average daily trading volume for the month/period by the total number of issued Shares at the end of each month/period.
3. It is calculated by dividing the average daily trading volume for the month/period by the total number of Shares held by the public Shareholders as at the Latest Practicable Date, i.e. 91,863,555.

We note from the above table that the trading volume of the Share is generally thin during the Review Period, where the percentages of average daily trading volume of the Share to the total number of issued Shares and the total number of issued Shares held by the public Shareholders during the Review Period are 0.0376% and 0.0935%, respectively. Given the limited trading activity of the Share, we consider that the Company is unlikely to raise funds by way of placing without a substantial discount being applied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2.2 Review of the historical share price performance

The following chart sets out the daily closing prices of the Shares on the Stock Exchange during the Review Period:



Source: Wind

As illustrated in the chart above, the closing Share price showed significant fluctuations during the Review Period, with Share price ranging from HK\$0.330 to HK\$0.980 and traded at an average of approximately HK\$0.465. We note that Share price is highly volatile between May 2024 and September 2024. Based on our review of the announcements published by the Company during such period, we note that (i) on 14 June 2024, the Company announced the disposal of 153,984 shares of DEVELOP Global Limited on the open market for an aggregate consideration, before expenses, of approximately US\$0.21 million; (ii) on 16 July 2024, the Company announced the change of its auditor; and (iii) on 25 July 2024, the Company issued the estimated results for the six months ended 30 June 2024, where the Group expected to record a significant reduction in the loss attributable to the shareholders of the Company of between approximately US\$2.50 million to approximately US\$3.50 million, as compared to a loss attributable to the shareholders of the Company of approximately US\$12.20 million for the six months ended 30 June 2023. Share price fluctuated between HK\$0.360 and HK\$0.400 from late December 2024 to February 2025 with limited trading activity. On 4 February 2025, the Company published its estimated results for FY2024, where the Group expected to record a significant reduction in the loss attributable to the shareholders of the Company for FY2024 of between approximately US\$4.00 million to approximately US\$5.00 million, as compared to a loss attributable to the shareholders of the Company of approximately US\$25.05 million for FY2023. Subsequent to the announcement, the Share price demonstrated a general upward trend and reached HK\$0.510 on 13 February 2025, being the highest price recorded since November 2024.

We note that the Capitalisation Price represents a premium of approximately 47.0% and 4.2% over the lowest and average Share price during the Review Period, respectively and a discount of approximately 50.5% to the highest Share price during the Review Period.

Having taking into account that (i) the Capitalisation Price is at a premium over the average Share price during the Review Period; and (ii) our analysis set out in the sections headed "3.2.3 Comparable transaction analysis" below, we consider that the Capitalisation Price is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2.3 Comparable transaction analysis

In assessing the fairness and reasonableness of the Capitalisation Price, we have also conducted research through website of the Stock Exchange and have identified a list of transactions based on the following selection criteria: (i) loan capitalisation and issue of new shares (excluding issue of preference shares) to connected person(s) under specific mandate carried out by the companies listed on the Main Board of the Stock Exchange; and (ii) announced since 1 January 2024 and up to the Latest Practicable Date (the “**Comparable Review Period**”), which reflects the latest market conditions in the context of rapidly changing capital markets. Based on our research, we have identified an exhaustive list of nine comparable share subscription transactions (the “**Comparable Transactions**”) that meet the aforesaid criteria. We consider the Comparable Review Period is adequate and appropriate given that (i) such period would provide us with the recent and relevant information to demonstrate the prevailing market practice prior to the date of the Debt Settlement Agreement under the prevailing market conditions and capital market sentiment; and (ii) we are able to identify sufficient and reasonable sample size for selection of Comparable Transactions within the Comparable Review Period. Though the business nature and industrial sectors of the Comparable Transaction are not the same as that of the Company, we consider that the Comparable Transactions are fair and representative samples for our assessment of the Loan Capitalisation given that (i) the subscription prices of the Comparable Transactions are mainly determined with reference to the prevailing market prices of the relevant shares prior to the announcements of Comparable Transactions; and (ii) our analysis on the Capitalisation Price is mainly aiming at taking a general reference to the market practice for similar type of transactions, and without limiting to companies with similar business nature and industrial sectors to the Group, we are able to identify sufficient sample size that is useful for Independent Shareholders’ reference.

The following table sets out the respective premium/(discount) of the subscription price over/to closing price prior to/up to and including the relevant agreement date or the last trading day (the “**LTD Premium/(Discount)**”) and the premium/(discount) of the subscription price over/to the average closing price of last five consecutive trading days prior to/up to and including the relevant agreement date or the last trading day (the “**Five Days Premium/(Discount)**”).

Date of announcement	Company Name	Principal Activities	Stock Code	LTD Premium/(Discount) %	Five Days Premium/(Discount) %
7-Mar-24	Enviro Energy International Holdings Limited	Trading of building materials and investment and leasing of properties	1102.HK	(10.70)	(5.70)
7-Mar-24	China HK Power Smart Energy Group Limited	Liquefied natural gas business	931.HK	0	1.42
10-Mar-24	China Qidian Guofeng Holdings Limited	Retail of household appliance and consumer electronics, and trading of liquor	1280.HK	(31.37)	(31.64)
14-May-24	Hua Yin International Holdings Limited	Development of properties and provision of management service to property project	989.HK	19.05	6.38
17-Jun-24	Zhuguang Holdings Group Company Limited	Property development, investment and rental of properties, and project management	1176.HK	21.21	18.34
12-Nov-24	Bonjour Holdings Limited	Retail of beauty and health care products	653.HK	0	(1.00)
17-Jan-25	CHK Oil Limited	Exploration, exploitation and trading of petroleum and natural gas	632.HK	5.06	(5.03)
17-Apr-25	China HK Power Smart Energy Group Limited	Liquefied natural gas business	931.HK	0	(0.51)
29-Apr-25	GoFintech Quantum Innovation Limited	Securities brokerage and margin financing business	290.HK	4.92	2.56
			Minimum	(31.37)	(31.64)
			Average	0.91	(1.69)
			Median	0.00	(0.51)
			Maximum	21.21	18.34
7-Apr-25	The Company		575.HK	0.00	15.75

Source: The Stock Exchange

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the table above, we note that:

- i. the Capitalisation Price equals to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the date of the Debt Settlement Agreement, which is slightly lower than the average LTD Premium of the Comparable Transactions of approximately 0.91% and equals to the median LTD Premium of the Comparable Transactions of approximately 0.00%; and
- ii. the Capitalisation Price represents a premium of approximately 15.75% over the average closing price per Share of HK\$0.419 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Debt Settlement Agreement, which is higher than the average and median Five Days Discount of the Comparable Transactions of approximately 1.69% and 0.51%, respectively.

In view of the above and given that (i) the Capitalisation Price is close to the average closing price per Share during the Review Period; (ii) the Capitalisation Price equals to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the date of the Debt Settlement Agreement; and (iii) the premium of the Capitalisation Price over the average closing price for the last five consecutive trading days immediately preceding the date of the Debt Settlement Agreement is significantly higher than the average and median Five Days Discount of the Comparable Transactions, we consider that the Capitalisation Price is on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

4. Dilution effect of the Loan Capitalisation on the Shareholding Structure

As illustrated in the table set out in the section headed “EFFECT OF THE LOAN CAPITALISATION ON SHAREHOLDING STRUCTURE” of the Board Letter, the shareholding of the existing public Shareholders as at the Latest Practicable Date was approximately 40.20% and will be diluted to approximately 31.47% immediately after Completion.

Despite the potential dilution impact to the shareholding interests of the existing public Shareholders, taking into account the Loan Capitalisation would (i) enable the Group to improve its financial position; (ii) ease the interest burden of the Group and thus improves its liquidity and financial performance; and (iii) allow the Group to focus its internal resources on its business development and operation, we are of the view that the Loan Capitalisation is beneficial to the Company and the Shareholders as a whole and is therefore fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the view that (i) the terms of the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment and issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Debt Settlement Agreement, although not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed for approving the Debt Settlement Agreement and the transactions contemplated thereunder (including the allotment issue of the Capitalisation Shares to the Subscriber under the Specific Mandate) at the EGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Sammy Leung
Managing Director

Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 13 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules; or (iv) which were to be disclosed under the Takeovers Code, were as follows:

Long positions in the Shares and underlying shares of the Company

a. Shares

Name of Director	Capacity	Number of Shares held <i>(notes 1 and 2)</i>	Approximate percentage of the Company's issued share capital <i>(note 2)</i>
Mr Mellon <i>(note 3)</i>	Beneficial owner	40,380,607	
	Interests held by controlled corporations	<u>152,150,140</u>	
		192,530,747	84.28%
Jamie Gibson	Beneficial owner	6,939,674	3.04%
Jayne Sutcliffe	Beneficial owner	85,802	0.04%
Mark Searle <i>(note 4)</i>	Beneficial owner	23,561	
	Family interest	31,415	
	Beneficiary of a trust	<u>163,778</u>	
		218,754	0.10%
Adrian Chan	–	–	–
Ihsan Al Chalabi	Beneficial owner	15,750	0.01%

Notes:

1. Directors' personal interests in Shares as stated above are long positions interests. There are no short position interests held by any Director.
2. The total number of the issued Shares does not take into account (a) the Shares to be issued upon exercise of the share options granted under the Share Option Scheme (2016) of the Company (the "Share Options") held by the Directors as disclosed below and (b) the Capitalisation Shares to be issued to Galloway upon Completion. As at the Latest Practicable Date, the total number of issued Shares was 228,438,619 Shares.
3. The number of Shares held by Mr Mellon includes a total of 63,377,163 Capitalisation Shares to be issued to Galloway. As at the Latest Practicable Date, an aggregate of 88,772,977 Shares were held by Indigo and Galloway (excluding the 63,377,163 Capitalisation Shares), which are beneficially wholly-owned by Mr Mellon, each holding 2,579,190 Shares and 86,193,787 Shares respectively.
4. As at the Latest Practicable Date, 163,778 Shares were held to the order of a pension fund, of which Mark Searle was the sole beneficiary and 31,415 Shares were held by his spouse, Juliet Mary Druce Searle.

b. Share Options

Name of Director	Date of grant	Adjusted exercise price per share (HK\$)	Number of Share Options				Outstanding as at the Latest Practicable Date
			Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Lapsed/ Cancelled during the period	
Mr Mellon	14.10.2020	3.000	91,557	-	-	-	91,557
Jamie Gibson	14.10.2020	3.000	915,564	-	-	-	915,564
Jayne Sutcliffe	14.10.2020	3.000	91,557	-	-	-	91,557
Mark Searle	14.10.2020	3.000	91,557	-	-	-	91,557

Notes:

1. Details of the Share Option Scheme (2016) of the Company are set out in the 2024 Annual Report.
2. Subsequent to the year ended 31 December 2024 and up to and including the Latest Practicable Date: (i) there was no change in the Directors' interest in respect of the above Share Options; and (ii) the number of total outstanding Share Options was 6,229,723.
3. As at the Latest Practicable Date, the total number of issued Shares was 228,438,619 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (iv) which were to be disclosed under the Takeovers Code.

(ii) Substantial shareholders' and other persons' interests in Shares and underlying shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, no other person other than Mr Mellon and Galloway, whose interests are set out in the section "Directors' and chief executive's interests in the Company or its associated corporations" of this circular, had any interests or short positions in the Shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Stock Exchange and the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the date of the Announcement and up to the Latest Practicable Date; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation), except that: (i) Mr Mellon had entered into an advisory agreement with the Company dated 16 April 2012 regarding his appointment as an adviser of the Company. The fixed remuneration under the advisory agreement was US\$157,500 (or approximately HK\$1.22 million) per annum, but it has been reduced by 30% to US\$110,250 (or approximately HK\$0.86 million) per annum since 1 April 2020. The advisory agreement may be terminated by either party giving one year's written notice; and (ii) Jamie Gibson had entered into a service agreement with the Company dated 4 May 2012 regarding his appointment as Chief Executive Officer of the Company. The fixed remuneration under the service agreement was US\$1.50 million (or approximately HK\$11.65 million) per annum, which, following the reduction to 40% of his original salary since 1 April 2022, had been gradually reinstated to 90% of his original salary since 1 June 2023. The service agreement may be terminated by either party giving one year's written notice.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, save for the Debt Settlement Agreement and the issue of the Capitalisation Shares to the Subscriber under the Specific Mandate, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group, save that the following companies may pursue investment opportunities that may compete against the Company:

(1) **Compedica Holdings Limited (“Compedica”)**

Compedica is a private single product medical device company based near Oxford, in the United Kingdom, focusing on the treatment of diabetic foot ulcers, which are a comorbidity of diabetic mellitus.

As at the Latest Practicable Date, (i) Mr Mellon and through his associate held approximately 50.38% of the total issued share capital of Compedica; (ii) as a non-executive director and chair of Compedica, Jamie Gibson held approximately 6.98% of the total issued share capital of Compedica; and (iii) the Company did not hold any interests in the total issued share capital of Compedica.

(2) **Juvenescence Limited (“Juvenescence”)**

Juvenescence is a private and multinational healthcare science company based in the Isle of Man that focuses on human ageing and longevity, aiming to build a platform and pipeline of affordable quality products targeting ageing, age-related issues and cell regeneration.

As at the Latest Practicable Date, (i) as a director and chair of the board of Juvenescence, Mr Mellon and through his associate held approximately 17.2% of the total issued share capital of Juvenescence; and (ii) the Company did not hold any interests in the total issued share capital of Juvenescence.

(3) **Portage Biotech Inc (“Portage Biotech”)**

Portage Biotech (CSE: PBT.U and OTCBB: PTGEF) is dually listed on the NASDAQ of the United States and the Canadian Securities Exchange, focusing on discovering and developing innovative cell permeable peptide therapies and developing drug therapies.

As at the Latest Practicable Date, (i) as a non-executive director of Portage Biotech, Mr Mellon and through his associates held approximately 13.8% of the total issued share capital of Portage Biotech; and (ii) the Company did not hold any interests in the total issued share capital of Portage Biotech.

Currently, the existing businesses of the above companies do not compete against the Company's existing businesses.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as otherwise provided herein, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

9. EXPERT'S QUALIFICATION

The following is the qualification of the expert who has given its opinion or advice which is contained in the circular:

Name	Qualification
Maxa Capital Limited	a licensed corporation permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

10. EXPERT'S CONSENT AND INTERESTS

Maxa Capital Limited has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or references to its name in the form and context in which it respective appear.

As at the Latest Practicable Date, Maxa Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Maxa Capital Limited did not have any direct or indirect interests in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.regentpac.com) and the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this circular:

- (a) the Debt Settlement Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (d) the written consent from Maxa Capital Limited referred to in the paragraph headed "Expert's Consent and Interests" in this appendix; and
- (e) this circular.

12. MISCELLANEOUS

- (a) The registered office of the Company is at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The principal place of business of the Company is at 8th Floor, Henley Building, 5 Queen's Road Central, Hong Kong.
- (c) The Company's branch share registrar in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English text of this circular prevails over the Chinese text in case of any inconsistency.

NOTICE OF EXTRAORDINARY GENERAL MEETING



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of Regent Pacific Group Limited (the “**Company**”) will be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong, on Thursday, 19 June 2025 at 3:30 p.m. or immediately after the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and place, whichever is later, for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “THAT

- (a) the Debt Settlement Agreement (the “**Debt Settlement Agreement**”) dated 7 April 2025 and entered into between the Company as issuer and Galloway Limited (the “**Subscriber**”) as subscriber in relation to the conversion of the unsecured shareholder’s loan in the aggregate outstanding principal amount of US\$3,810,000 (approximately HK\$29,599,890) due from the Group to the Subscriber (the “**Loan**”) as at the date of the Debt Settlement Agreement and the outstanding interest amount of the Loan, being US\$146,484 (approximately HK\$1,138,034.20) as at the date of the Debt Settlement Agreement, into the share capital of the Company (the “**Loan Capitalisation**”) involving the subscription (the “**Subscription**”) of an aggregate of 63,377,163 new shares to be issued and allotted by the Company (the “**Capitalisation Shares**”) at the Capitalisation Price of HK\$0.485 per Capitalisation Share, a copy of which is tabled at the EGM for identification purpose, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in, the Capitalisation Shares, the directors (the “**Directors**”) of the Company be and are hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the Capitalisation Shares to the Subscriber subject to the terms of the Debt Settlement Agreement (the “**Specific Mandate**”), with such Specific Mandate being in addition to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any Director be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the Debt Settlement Agreement, the Loan Capitalisation, the allotment and issue of the Capitalisation Shares and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Debt Settlement Agreement and are in the interests of the Company.”

By Order of the Board
Regent Pacific Group Limited
Jamie Gibson
Executive Director

Hong Kong, 16 May 2025

Principal place of business:

8th Floor
Henley Building
5 Queen’s Road Central
Hong Kong

Notes:

- (i) A form of proxy for use at the EGM is enclosed.
- (ii) Any member of the Company entitled to attend and vote at the EGM convened by this notice shall be entitled to appoint proxy to attend and vote instead of him in accordance with the articles of association of the Company. A proxy need not be a member of the Company, but must be present in person to represent the member.
- (iii) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
- (iv) To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding of the EGM (i.e. Tuesday, 17 June 2025 at 3:30 p.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should they so wish.
- (v) The above resolution will be voted by way of a poll at the EGM.
- (vi) For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025, both days inclusive. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2025.
- (vii) In case a Typhoon Warning Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions” announced by The Government of the Hong Kong Special Administrative Region is/are in force in Hong Kong at or at any time after 11:00 am on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.regentpac.com) to notify Shareholders of the date, time and place of the re-scheduled meeting. At least seven clear days’ notice shall be given of the re-scheduled meeting.
- The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal and/or a Typhoon Warning Signal No. 3 or below is in force. Shareholders should decide on their own whether they will attend the meeting under bad weather conditions having regard to their own situations and, if they choose to do so, they are advised to exercise care and caution.
- (viii) References to time and dates in this notice are to Hong Kong time and dates.

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the Board of Directors comprises of six Directors:

Executive Director:

Jamie Gibson (*Chief Executive Officer*)

Non-Executive Directors:

James Mellon (*Chairman*)

Jayne Sutcliffe

Independent Non-Executive Directors:

Mark Searle

Adrian Chan

Ihsan Al Chalabi