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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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**REGENT PACIFIC GROUP LIMITED**

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

**(Stock code: 0575)**

**PROPOSED GRANT OF OPTIONS  
UNDER SHARE OPTION SCHEME (2002)  
AND  
ESTABLISHMENT OF LONG TERM INCENTIVE PLAN 2007**

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A notice convening an extraordinary general meeting of Regent Pacific Group Limited is set out in pages 17 to 19 of this document. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company Secretary at the Company's principal place of business in Hong Kong as soon as possible but in any event not later than 10:30 am on Thursday, 6 December 2007. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

22 November 2007

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## DEFINITIONS

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*In this document, the following expressions have the following meanings unless the context requires otherwise:*

“2007 AGM Notice”	the notice, as amended, convening the 2007 Annual General Meeting issued on 9 August 2007
“2007 Annual General Meeting”	the annual general meeting of the Company held on 28 September 2007
“Articles of Association”	the articles of association of the Company
“Auditors”	Grant Thornton, being the auditors of the Company
“Board”	the board of Directors
“Chairman”	the chairman of the Board, who is a Director
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“connected person(s)”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Convertible Bonds”	the US\$20 million 12 per cent guaranteed convertible bonds due 2009 issued by the Company on 31 March 2006 pursuant to the purchase agreement dated 30 March 2006
“Date of Grant”	2 October 2007, the date on which Options to subscribe for an aggregate of 100,038,132 Shares were granted to, among others, James Mellon and David Comba
“Director(s)”	the director(s) of the Company
“EGM Notice”	the notice convening the Extraordinary General Meeting as set out in pages 17 to 19 of this document
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened to be held on Saturday, 8 December 2007, the notice of which is set out in pages 17 to 19 of this document
“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Hong Kong Securities and Futures Commission, as amended from time to time

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## DEFINITIONS

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“HK\$”	Hong Kong dollar(s), the lawful currency in Hong Kong
“Latest Practicable Date”	Tuesday, 20 November 2007, being the latest practicable date prior to the printing of this document for ascertaining certain information for inclusion in this document
“Long Term Incentive Plan 2007”	the long term incentive plan named the “Long Term Incentive Plan 2007” to be established by the Company
“Option(s)”	the option(s) granted and exercisable under the Share Option Scheme (2002)
“Performance Bonus Plan”	the performance bonus plan of the Group established on 18 October 2002
“PRC”	the People’s Republic of China
“Redeemable Convertible Preference Shares”	the dividend bearing non-voting redeemable convertible preference shares of US\$0.01 each issued and allotted by the Company on 30 November 2006 pursuant to the subscription agreement dated 11 October 2006
“Refreshed Scheme Mandate”	has the meaning ascribed to it in Paragraph 2(b) headed “Scheme mandate limit” in the “Letter from the Board” in the circular
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the ordinary share(s), with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“Share Option Scheme (2002)”	the share option scheme of the Company named the “Share Option Scheme (2002)” established on 15 November 2002
“substantial shareholder(s)”	shall have the meaning defined in Chapter 1 of the HK Listing Rules
“US\$”	United States dollar(s), the lawful currency in the United States
“YSSCCL”	Yunnan Simao Shanshui Copper Company Limited, the Sino-foreign equity joint venture enterprise established for the Dapingzhang Copper Mine and is a 40 per cent owned associate of the Company

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## LETTER FROM THE BOARD

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### REGENT PACIFIC GROUP LIMITED

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

**(Stock code: 0575)**

*Executive Directors:*

Jamie Gibson (*Chief Executive Officer*)  
Clara Cheung

*Non-Executive Directors:*

James Mellon (*Chairman*)  
David Comba<sup>#</sup>  
Julie Oates<sup>#</sup>  
Patrick Reid<sup>#</sup>  
Mark Searle<sup>#</sup>  
John Stalker  
Jayne Sutcliffe  
Dr Youzhi Wei  
Anderson Whamond

*Registered office:*

Ugland House  
South Church Street  
George Town  
Grand Cayman  
Cayman Islands

*Principal place of business in Hong Kong:*

Suite 1401  
Henley Building  
5 Queen's Road Central  
Hong Kong

<sup>#</sup>*Independent Non-Executive Directors*

22 November 2007

*To the shareholders of Regent Pacific Group Limited*

Dear Sir or Madam

**PROPOSED GRANT OF OPTIONS  
UNDER SHARE OPTION SCHEME (2002)  
AND  
ESTABLISHMENT OF LONG TERM INCENTIVE PLAN 2007**

#### **1 INTRODUCTION**

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

- a. To approve the grant of Options to James Mellon and David Comba.

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## LETTER FROM THE BOARD

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- b. To approve the establishment of the Long Term Incentive Plan 2007.

### 2 PROPOSED GRANT OF OPTIONS

On 2 October 2007, the Directors, including the independent non-executive Directors (except David Comba who abstained from voting in view of the Option granted to him as referred to below), approved the grant of Options to certain Directors and employees of the Company under the Share Option Scheme (2002) for them to subscribe, in stages in accordance with their respective vesting schedules, for an aggregate of 100,038,132 Shares at the exercise price of HK\$1.152 per Share. The Options represented approximately 5.14 per cent of the Company's issued ordinary share capital of 1,946,694,959 Shares as at the Date of Grant and approximately 4.91 per cent of the Company's issued ordinary share capital of 2,038,361,767 Shares as at the Latest Practicable Date and approximately 4.68 per cent of the enlarged ordinary share capital. The Refreshed Scheme Mandate has been exhausted after the grant of the Options in respect, in aggregate, of 100,038,132 Shares on 2 October 2007.

Among such Options, Options were granted to James Mellon, the non-executive Chairman of the Board and a substantial shareholder of the Company, and David Comba, an independent non-executive Director, for them to subscribe, in stages, for 13 million Shares and 5 million Shares respectively, representing (a) approximately 0.67 per cent and 0.26 per cent respectively of the Company's issued ordinary share capital as at the Date of Grant; (b) approximately 0.64 per cent and 0.25 per cent respectively of the Company's issued ordinary share capital as at the Latest Practicable Date; and (c) approximately 0.61 per cent and 0.23 per cent respectively of the ordinary share capital as enlarged by all the Options granted on the Date of Grant. Such Options are subject to shareholders' approval at the Extraordinary General Meeting under Rule 17.04(1) of the HK Listing Rules. Pursuant to Rule 13.39(4) of the HK Listing Rules, any vote taken at the Extraordinary General Meeting to approve the grant of such Options will be taken on a poll. Under Rule 17.04(1), where any grant of options to a substantial shareholder or an independent non-executive director (or any of their respective associates) would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1 per cent of the relevant class of securities in issue; and
- (ii) (where the securities are listed on the HK Stock Exchange), having an aggregate value, based on the closing price of the securities as at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by shareholders of the company, with all connected persons of the company abstaining from voting in favour of the resolution at the relevant general meeting.

On the Date of Grant, none of James Mellon and David Comba held any Options, nor were they granted any Options during the 12-month period up to and including the Date of Grant save for the Options granted on the Date of Grant as referred to above.

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## LETTER FROM THE BOARD

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On the basis of the closing price of the Shares of HK\$1.140 on the Date of Grant, the Shares to be issued upon exercise of the Options granted to James Mellon and David Comba had an aggregate value of HK\$14.82 million and HK\$5.70 million respectively.

According to the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Part XV of the SFO, as at the Date of Grant and the Latest Practicable Date:

- James Mellon held personal interests in 43,216,180 Shares, being approximately 2.22 per cent of the Company's issued ordinary share capital as at the Date of Grant and approximately 2.12 per cent of the Company's issued ordinary share capital as at the Latest Practicable Date. Further, companies wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary, held (1) 370,821,131 Shares, being approximately 19.05 per cent of the Company's issued ordinary share capital as at the Date of Grant and approximately 18.19 per cent of the Company's issued ordinary share capital as at the Latest Practicable Date; and (2) 2,750 Redeemable Convertible Preference Shares, which may be convertible into 73,965,517 Shares at a conversion price of HK\$0.290 per Share.
- David Comba did not hold any interests in Shares, but held 50 Redeemable Convertible Preference Shares, which may be convertible into 1,344,828 Shares at a conversion price of HK\$0.290 per Share.

Shareholders shall also note the following details in relation to the grant of Options:

(a) **Purpose for grant of Options**

Each year the Remuneration Committee considers whether a grant of Options should be made under the Share Option Scheme (2002) and if so at what level. In arriving at a decision, the Remuneration Committee will take into consideration the personal performance of each participant. The Remuneration Committee may also award Options during the year for new participants who join the Company. The Directors ultimately consider and if thought fit approve the Remuneration Committee's recommendations. The purpose of the scheme is to provide the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to eligible participants or such other purposes as the Directors may approve from time to time. An option holder is entitled to exercise one-third of the Option at each of the first, second and third anniversary dates after the date of grant, provided that the option holder remains as an eligible participant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of grant. The Directors may specify that any exercisable date of any Options be subject to certain performance targets being achieved by the Company. Accordingly, in view of the basis of fixing the exercise price, the option holder will anticipate a price appreciation in the Shares in order for them to benefit from the results of the Company. The Share Option Scheme (2002) serves as an incentive scheme for awarding long service participants.

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## LETTER FROM THE BOARD

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(b) **Scheme mandate limit**

The Company sought shareholders' approval at the extraordinary general meeting held on 16 June 2006 for "refreshing" the 10 per cent limit under the Share Option Scheme (2002) pursuant to Rule 17.03(3) of the HK Listing Rules. Accordingly, the maximum number of Shares which may be issued upon exercise of all Options to be granted after 16 June 2006 under the Share Option Scheme (2002), when aggregated with any Shares which may be issued upon exercise of options to be granted under other schemes of the Company, shall not exceed 146,538,132 Shares, being 10 per cent of the total issued ordinary share capital of the Company as at the date of approval of the "refreshed" limit (the "**Refreshed Scheme Mandate**"). Options previously granted under the scheme (including those outstanding, cancelled or lapsed in accordance with the scheme or exercised Options) will not be counted for the purpose of calculating the limit as "refreshed". Before the Date of Grant, Options in respect of an aggregate of 46,500,000 Shares were granted under the Refreshed Scheme Mandate and remained outstanding. Therefore, as at the Date of Grant, the Company was allowed to grant further Options to subscribe for 100,038,132 Shares under the Share Option Scheme (2002).

As at the Date of Grant and prior to the grant of Options in respect of 100,038,132 Shares, there were outstanding Options under the Share Option Scheme (2002), entitling the holders to subscribe, in stages in accordance with their respective vesting schedules, for an aggregate of 139,737,000 Shares at exercise prices ranging from HK\$0.266 to HK\$0.780 per Share.

Rule 17.03(3) provides that the aggregate limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme (2002) and any other schemes of the Company must not exceed 30 per cent of the Shares in issue from time to time. Assuming the grant of Options to James Mellon and David Comba are approved at the Extraordinary General Meeting, the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme (2002) and any other schemes of the Company as at the Date of Grant (inclusive of the new Options in respect of 100,038,132 Shares) would represent 239,775,132 Shares or 12.32 per cent of the Company's issued ordinary share capital.

Subsequent to the Date of Grant, options in respect of an aggregate of 2,167,000 Shares were exercised. Accordingly, as at the Latest Practicable Date, there were outstanding Options under the Share Option Scheme (2002) entitling the holders to subscribe, in stages in accordance with their respective vesting schedules, for an aggregate of 237,608,132 Shares at exercise prices ranging from HK\$0.266 to HK\$1.152 per Share, assuming the grant of Options to James Mellon and David Comba are approved at the Extraordinary General Meeting. The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme (2002) and any other schemes of the Company as at the Latest Practicable Date would therefore represent 11.66 per cent of the Company's issued ordinary share capital.

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## LETTER FROM THE BOARD

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(c) **Terms of the Options**

Rule 17.03(4) of the HK Listing Rules provides that unless approved by shareholders, the total number of Shares issued or to be issued upon exercise of the Options granted to any individual eligible participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1 per cent of the Shares in issue, subject to the restrictions on grants to the Directors, chief executive or substantial shareholders of the Company as set out in the HK Listing Rules. Shareholders please note that no participants were granted with Options (including both exercised and outstanding Options) in respect of an aggregate number of Shares which was in excess of such individual limit.

Pursuant to Rule 17.04(1) of the HK Listing Rules, the grant of Options on the Date of Grant, including those to James Mellon and David Comba, were duly approved by the Board (including the independent non-executive Directors except David Comba who abstained from voting in view of the Option granted to him). Options granted to James Mellon and David Comba, which would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to each of them in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1 per cent of the Shares in issue and having an aggregate value, based on the closing price of the Shares as at the Date of Grant, in excess of HK\$5 million, are subject to the approval by shareholders of the Company at the Extraordinary General Meeting, with all connected persons of the Company, namely all Directors (and their respective associates), abstaining from voting in favour at the meeting.

An Option shall, following acceptance with a consideration of HK\$10, be deemed to have been granted and to have taken effect on the date of offer.

Options granted under the Share Option Scheme (2002) entitle the holders to exercise one-third of the Option at each of the first, second and third anniversary dates after the Date of Grant, provided that the option holder remains as an eligible participant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of offer of the relevant Option. All entitlements of the Option then remain unexercised will lapse.

The exercise price of the Options granted on the Date of Grant of HK\$1.152 represented the higher of (i) the nominal value of the Shares (US\$0.01); (ii) the closing price of the Shares as stated in the daily quotations sheet of the HK Stock Exchange on the Date of Grant (HK\$1.140); and (iii) the average closing price of the Shares as stated in the daily quotations sheets of the HK Stock Exchange for the five business days immediately preceding the Date of Grant (HK\$1.146).

Save as stated in this document, the grant of Options on the Date of Grant, including those to James Mellon and David Comba, are not subject to any other conditions.

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## LETTER FROM THE BOARD

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### (d) Listing

Shares to be issued and allotted upon exercise of the Options will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as at the date on which the Options are exercised.

Approval was obtained by the Company on 22 June 2006 from the HK Stock Exchange for the listing of and permission to deal in the Shares to be issued upon exercise of the Options to be granted under the Refreshed Scheme Mandate.

### 3 ESTABLISHMENT OF THE LONG TERM INCENTIVE PLAN 2007

It was stated in the circular issued by the Company on 30 July 2007 that the Directors proposed to seek shareholders' approval for the establishment of the new long term incentive plan named the "Long Term Incentive Plan 2007" at the 2007 Annual General Meeting.

The Directors announced on 28 September 2007 that as the Directors were considering the grant of Options to eligible participants under the Share Option Scheme (2002), including two non-executive Directors that required shareholders' approval, the Directors recommended that it was in the best interests of the Company that the approval of the grant of Options and the establishment of the Long Term Incentive Plan 2007 be adjourned to a date as determined by the Directors. Accordingly, with the consent of the shareholders at the 2007 Annual General Meeting, the proposed Ordinary Resolution numbered 7 as set out in the 2007 AGM Notice relating to the establishment of the Long Term Incentive Plan 2007 had been adjourned to a date to be determined by the Directors in accordance with Article 64 of the Articles of Association.

The Directors are seeking shareholders' approval for the grant of Options to James Mellon and David Comba at the Extraordinary General Meeting. Accordingly, instead of holding the adjourned annual general meeting, at the Extraordinary General Meeting Ordinary Resolution numbered 3 (which is the same as the proposed Ordinary Resolution numbered 7 as set out in the 2007 AGM Notice) relating to the establishment of the Long Term Incentive Plan 2007 will be put to shareholders for approval.

The Company operates in a local market where it competes for a limited resource of talented executives. It recognises that to achieve its business objectives, the Company needs high quality, committed people. The Company has therefore designed an executive remuneration policy to support its business goals by enabling it to attract, retain and appropriately reward executives of the calibre necessary to produce very high levels of performance. This policy is regularly reviewed to take account of changing market, industry and economic circumstances, as well as developing Company requirements.

The main principles of the Company's remuneration policy are:

- To provide total remuneration which is competitive in structure and quantum with comparable companies;

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## LETTER FROM THE BOARD

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- To achieve clear alignment between total remuneration and delivered business and personal performance with particular emphasis on creation of shareholder value;
- To link remuneration with clearly defined performance criteria that are consistent with the best interests of the Company and shareholders over the short, medium and long term; and
- To provide an appropriate balance between fixed, variable and deferred remuneration.

The Company's remuneration components are:

(a) **Basic salary**

Basic salaries are reviewed annually and adjusted as necessary, taking into account the performance of an employee and the Company.

Remuneration is rewarded through the following arrangements:

(b) **Short term bonus scheme**

Eligible employees (including employees and executive Directors and non-executive Directors of any company of the Group but excluding independent non-executive Directors of any company of the Group) participate in the Performance Bonus Plan that is designed to support overall remuneration policy by focussing participants on achieving semi-annual performance goals which contribute to sustainable shareholder value.

The Remuneration Committee reviews and approves cash awards for participants semi-annually. Bonus payments are linked to the Company's financial performance and personal performance.

(c) **Long term incentives**

Each year the Remuneration Committee considers whether a grant of Options should be made under the Share Option Scheme (2002) and if so at what level. In arriving at a decision, the Remuneration Committee will take into consideration the personal performance of each participant. The Remuneration Committee may also award Options during the year for new participants who join the Company. The Directors ultimately consider and if thought fit approve the Remuneration Committee's recommendations. The purpose of the scheme is to provide the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to eligible participants or such other purposes as the Directors may approve from time to time. An option holder is entitled to exercise one-third of the Option at each of the first, second and third anniversary dates after the date of grant, provided that the option holder remains as an eligible participant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of grant. The Directors may specify that any exercisable date of any Options be subject to certain performance targets being achieved by the Company. Accordingly, in

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## LETTER FROM THE BOARD

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view of the basis of fixing the exercise price, the option holder will anticipate a price appreciation in the Shares in order for them to benefit from the results of the Company. The Share Option Scheme (2002) serves as an incentive scheme for awarding long service participants.

As noted above, as at the Latest Practicable Date, there were outstanding Options under the Share Option Scheme (2002), entitling the holders to subscribe, in stages in accordance with their respective vesting schedules, for an aggregate of 237,608,132 Shares at exercise prices ranging from HK\$0.266 to HK\$1.152 per Share (assuming the grant of Options to James Mellon and David Comba are approved at the Extraordinary General Meeting).

Shareholders please note from sub-paragraph (d) below that no further Options under the Share Option Scheme (2002) will be granted if the Long Term Incentive Plan 2007 is approved by shareholders.

(d) **New long term incentive plan**

The Remuneration Committee and the Directors have approved a restricted share scheme called the “Long Term Incentive Plan 2007” for executives. The new plan is designed to support the Company’s ability to attract and retain key staff in an increasingly tight and competitive labour market. Under the new plan, eligible employees may receive a conditional award of shares which will vest, wholly or partly, when certain trigger events happen, including but not limited to, performance conditions laid down by the Remuneration Committee at the time of the award have been satisfied or the sale of the Company’s interest in YSSCCL. The plan will expire on the tenth anniversary of the adoption date.

Pursuant to the scheme rules, the Remuneration Committee shall nominate selected employees and determine the number of Shares to be awarded. To the extent that the vesting conditions of the award specified by the Remuneration Committee at the time of making the award and the vesting conditions set out in the scheme rules have been satisfied, the relevant number of Shares subject to the award will be transferred to that employee at no cost. No new Shares can be issued under the new plan.

The Long Term Incentive Plan 2007 is different from the Share Option Scheme (2002). Under the Long Term Incentive Plan 2007, a trustee appointed by the Company will acquire Shares from the market at the cost of the Company and employees are granted conditional rights to free Shares over the vesting period. Unlike the Share Option Scheme (2002), employees are not required to pay any consideration for granting of the rights or to pay any exercise price for the vesting of the rights and the transfer of the Shares. For the avoidance of doubt, the establishment and operation of the Long Term Incentive Plan 2007 are not subject to the requirements of Chapter 17 of the HK Listing Rules. Upon adoption of the Long Term Incentive Plan 2007, no further Options under the Share Option Scheme (2002) (as referred to in sub-paragraph (c) above) will be granted.

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## LETTER FROM THE BOARD

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For sake of good corporate governance practice, the Directors had proposed Ordinary Resolution numbered 7 at the 2007 Annual General Meeting to seek shareholders' approval for the establishment of the Long Term Incentive Plan 2007, which was adjourned and shall now be considered as Ordinary Resolution numbered 3 at the Extraordinary General Meeting.

Principal terms of the Long Term Incentive Plan 2007 are set out in the appendix to this document.

As at the Latest Practicable Date, there were 2,038,361,767 voting Shares in issue. Accordingly, on the assumption that prior to the date of the Extraordinary General Meeting, (i) no Convertible Bonds will be converted into Shares; (ii) no Redeemable Convertible Preference Shares will be converted into Shares; (iii) no additional Shares will be issued either upon exercise of any Options or otherwise; and (iv) no Shares will be repurchased by the Company, and if the Long Term Incentive Plan 2007 is adopted at the Extraordinary General Meeting:

- (1) the total number of Shares which may be transferred on vesting of all awards granted under the plan is limited to 10 per cent of the Company's issued ordinary share capital on the date of adoption, which will be 203,836,176 Shares; and
- (2) the total number of Shares subject to a unit or units granted to an individual eligible person is limited to 5 per cent of the Company's issued ordinary share capital on the date of adoption, which will be 101,918,088 Shares.

#### **4 THE EXTRAORDINARY GENERAL MEETING**

Set out in pages 17 to 19 of this document is a notice convening the Extraordinary General Meeting. Ordinary Resolutions numbered 1 and 2 have been proposed to approve the grant of Options to James Mellon and David Comba. All connected persons of the Company, namely all Directors (and their respective associates), must abstain from voting in favour of these resolutions at the meeting. Any vote taken at the Extraordinary General Meeting to approve the grant of such Options will be taken on a poll.

Ordinary Resolution numbered 3 has been proposed to approve the establishment of the Long Term Incentive Plan 2007. There are no restrictions on any shareholders to abstain from voting in respect of this resolution at the meeting or to cast their votes either only in favour of or only against the proposed resolution.

Whether or not you are able to attend the meeting, please complete the accompanying forms of proxy in accordance with the instructions printed thereon and return it, accompanied by the power of attorney (if applicable) or other authority (if any) under which it is signed or a certified copy of that power of attorney, to the Company Secretary at the Company's principal place of business in Hong Kong as soon as possible but in any event not later than 10:30 am on Thursday, 6 December 2007. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

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## LETTER FROM THE BOARD

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

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

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

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

Rule 13.39(3) of the HK Listing Rules requires that if the chairman of a meeting and/or the directors individually or collectively hold(s) proxies in respect of shares holding 5 per cent or more of the total voting rights at the meeting, and if on a show of hands a meeting votes in the opposite manner to that instructed in those proxies, the chairman and/or the directors holding proxies as aforesaid collectively shall demand a poll, provided that if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands (because the votes represented by those proxies exceed 50 per cent, 75 per cent or any other relevant percentage, as the case may be, of the total issued shares entitled to vote on the resolution on question), then the chairman and/or directors shall not be required to demand a poll.

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## LETTER FROM THE BOARD

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### 5 DIRECTORS' RECOMMENDATION

Shareholders are encouraged to study the information contained in this document in order to make an informed decision as to whether to vote in favour of the resolutions.

The Directors (including three independent non-executive Directors, namely Julie Oates, Patrick Reid and Mark Searle) consider that the proposed grant of Options to James Mellon and David Comba are fair and reasonable and are in the interests of the Group. The Directors also consider that the establishment of the Long Term Incentive Plan 2007 is in the interests of the Group. Accordingly, the Directors recommend that all shareholders vote in favour of Ordinary Resolutions numbered 1, 2 and 3 proposed at the Extraordinary General Meeting.

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

**Jamie Gibson**  
*Director*

The principal terms of the Long Term Incentive Plan 2007 are as follows:

1. **Operation of the plan**

The Long Term Incentive Plan 2007 (the “**Plan**”) will expire on the tenth anniversary of the adoption date, being the date when it is adopted by the shareholders of the Company at a general meeting (the “**Adoption Date**”). The Plan will expire on the tenth anniversary of the Adoption Date.

2. **Eligible persons**

All employees (including executive Directors) or non-executive Directors of the Company or any subsidiary of the Company or any other company which is associated with the Company and is designated by the Remuneration Committee as a member of the Group (each being a “**Member of the Group**”) may be selected by the Remuneration Committee to be an eligible person (“**Eligible Person(s)**”) for participation in the Plan.

3. **Grant of units**

The Remuneration Committee may grant to an Eligible Person (“**Grantee(s)**”) a unit (“**Unit(s)**”), being a conditional right to acquire Shares, under Plan. The grant of a Unit, and the terms of that Unit, must be approved in advance by the Remuneration Committee. When granting Units, the Remuneration Committee will impose such conditions (if any) (“**Performance Target**”) as it sees fit on their vesting. A Grantee is not required to pay for the grant of any Unit.

A Grantee shall not be entitled to vote or receive dividends in respect of the Shares subject to a Unit until the Shares have been transferred to him in accordance with the provisions of the Plan.

Unless being a transmission of a Unit on the death of a Grantee to his personal representative or an assignment with the prior consent of the Remuneration Committee, a Unit or any rights in respect of it is non-transferable until the Unit has been vested.

4. **Vesting of units**

All Units granted to a participant on any one occasion will vest in full upon the occurrence of any of the following event (the “**Trigger Event**”):

- a. a bona fide sale of ordinary shares in the capital of Yunnan Simao Shanshui Copper Company Limited from time to time in an underwritten (firm commitment) public offering, resulting in the listing of the ordinary shares of YSSCCL on a recognised investment exchange; or

- b. a transaction or series of transactions (including by way of merger, consolidation, recapitalisation, reorganisation, issuance of securities or sale of securities) that results in a change of control of YSSCCL; or
- c. the sale of 100 per cent of the Company's shareholding or registered interest in YSSCCL; or
- d. a change of control of the Company pursuant to the HK Takeovers Code; or
- e. unless the terms of any Performance Target specify otherwise, on the Remuneration Committee determining that any Performance Target has been satisfied.

Where the Trigger Event is the determination by the Remuneration Committee that a Performance Target has been satisfied, 33 per cent of the Units granted to that participant on that occasion will vest on the occurrence of the Trigger Event. The balance will vest:

- i. as to 50 per cent of the balance, on the second anniversary of the offer date; and
- ii. as to the other 50 per cent of the balance, on the third anniversary of the offer date.

But if the Trigger Event occurs on or after either or both of these dates, the relevant percentage of the Units will vest on the date of the Trigger Event.

For the avoidance of doubt, if any other Trigger Event occurs before either of these dates, the Units will vest on the date of that other Trigger Event.

Within 30 days of vesting of a Unit, the Company will procure the payment to or to the order of the Grantee of an amount equal to the total amount of all dividends paid on the number of Shares subject to a Unit from the offer date until the date of vesting plus accrued interest.

The Grantee may not transfer 50 per cent of the Shares in respect of which a Unit is vested on any one occasion for six months following the date of transfer of the Shares to the Grantee and, during that period, those Shares shall be subject to compulsory transfer by the Company.

#### **5. Lapse and cancellation of Units**

A Unit will lapse (to the extent it has not been vested) on the date the Grantee ceases to be an employee of a Member of the Group, unless the Remuneration Committee determines otherwise in its sole discretion.

The Remuneration Committee may cancel any Unit. Unless the Grantee otherwise agrees, the Remuneration Committee may only cancel a Unit if, at the election of the Remuneration Committee, the Company pays to the Grantee an amount equal to the fair market value of the

Shares underlying the Unit at the date of cancellation as determined by the Remuneration Committee, after consultation with the Auditors or an independent financial adviser appointed by the Remuneration Committee, or the Remuneration Committee makes such arrangements as the Grantee may agree to compensate him or her for the cancellation of the Unit.

**6. Reorganisation of capital structure**

If the Company undertakes a rights issue, pays a special dividend (but not a dividend in the ordinary course) or if there is a demerger affecting any Member of the Group or there is any alteration in the capital structure of the Company, whether by way of a capitalisation of profits or reserves, open offer, consolidation or sub-division of shares or reduction of the share capital of the Company, such corresponding adjustments (if any) shall be made to the number of Shares subject to the Unit as the Auditors or independent financial adviser appointed by the Remuneration Committee shall certify in writing to the Remuneration Committee to be in their opinion fair and reasonable.

**7. Limits**

The total number of Shares which may be transferred upon vesting of all Units to be granted under the Plan must not in aggregate exceed 10 per cent of the issued ordinary share capital of the Company on the Adoption Date.

The total number of Shares subject to a Unit or Units granted to an individual Eligible Person is limited to 5 per cent of the issued ordinary share capital of the Company on the Adoption Date.

For the reference of the shareholders, as at the Latest Practicable Date, there were 2,038,361,767 voting Shares in issue. Accordingly, on the assumption that prior to the date of the Extraordinary General Meeting, (i) no Convertible Bonds will be converted into Shares; (ii) no Redeemable Convertible Preference Shares will be converted into Shares; (iii) no additional Shares will be issued either upon exercise of any Options or otherwise; and (iv) no Shares will be repurchased by the Company, and if the Plan is adopted at the Extraordinary General Meeting:

- a. the total number of Shares which may be transferred on vesting of all awards granted under the Plan is limited to 203,836,176 Shares; and
- b. the total number of Shares subject to a Unit or Units granted to an individual Eligible Person is limited to 101,918,088 Shares.

**8. No further share options**

No further options under the Share Option Scheme (2002) will be granted upon adoption of the Plan.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### REGENT PACIFIC GROUP LIMITED

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

**(Stock code: 0575)**

#### Notice of Extraordinary General Meeting

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of the Company will be held at Meeting Room 3, 1st Floor, Wynn Macau\*, Rua Cidade de Sintra, Nape, Macau on Saturday, 8 December 2007 at 10:30 am for the following purposes (\*Shuttle buses of Wynn Macau will depart from the New Macau Maritime Ferry Terminal at 10:00 am and 10:15 am):

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

#### AS AN ORDINARY RESOLUTION

“**THAT** an option be and is hereby authorised to be granted to James Mellon for him to subscribe for 13 million ordinary shares of US\$0.01 each in the capital of the Company at an exercise price of HK\$1.152 per Share, subject to such conditions (if any) on the exercise of the option as stipulated in the offer letter dated 2 October 2007 pursuant to the terms of the Company’s Share Option Scheme (2002) adopted on 15 November 2002, and the Directors of the Company be and are hereby authorised to take all such steps as they consider necessary, desirable or expedient in connection with the grant of the option.”

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

#### AS AN ORDINARY RESOLUTION

“**THAT** an option be and is hereby authorised to be granted to David Comba for him to subscribe for 5 million ordinary shares of US\$0.01 each in the capital of the Company at an exercise price of HK\$1.152 per Share, subject to such conditions (if any) on the exercise of the option as stipulated in the offer letter dated 2 October 2007 pursuant to the terms of the Company’s Share Option Scheme (2002) adopted on 15 November 2002, and the Directors of the Company be and are hereby authorised to take all such steps as they consider necessary, desirable or expedient in connection with the grant of the option.”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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

### AS AN ORDINARY RESOLUTION

“**THAT** a long term incentive plan named the “Long Term Incentive Plan 2007” (a copy of the rules of which has been produced at the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and is hereby adopted.”

By Order of the Board of  
**Regent Pacific Group Limited**

**Stella Fung**  
*Company Secretary*

**Directors of the Company:**

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

\* *Non-Executive Directors*

# *Independent Non-Executive Directors*

Hong Kong, 22 November 2007

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. The proposed Ordinary Resolutions numbered 1 and 2 are to seek shareholders' approval for the grant of options to James Mellon and David Comba respectively under the Company's Share Option Scheme (2002). Shareholders are recommended to check the details of the proposed grant of such options set out in the shareholders' circular dated 22 November 2007 issued by the Company (the "**Circular**").
2. The proposed Ordinary Resolution numbered 3 is to seek shareholders' approval for the establishment of a long term incentive plan for the Company named the "Long Term Incentive Plan 2007". Shareholders please check the details of the proposed plan set out in the Circular.
3. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting if he so wishes.
4. In order for it to be valid, the form of proxy, accompanied by the power of attorney (if applicable) or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited with the Company Secretary at the Company's principal place of business in Hong Kong at Suite 1401, Henley Building, 5 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for the meeting or its adjourned meeting.
5. In the case of joint registered holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names of the holders stand in the Register of Members of the Company in respect of such joint holding.
6. In the case of a conflict between the English text of this notice and its Chinese translation, the English text will prevail.