IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

JUDICIAL FINANCE
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CAYMAN ISLANDS GOVERNMENT

FSD CAUSE NO: 130 OF 2016

IN THE MATTER OF SECTIONS 14 TO 16 OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF REGENT PACIFIC GROUP LIMITED

CLERK OF COURT
AUG 22 2016
CAYMAN ISLANDS GOVERNMENT

GRAND COURT CAYMAN ISLANDS

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of Regent Pacific Group Limited (the "**Company**") of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, shows that:

Purpose

1 The object of this Petition is to seek an Order of the Court pursuant to section 16 of the Companies Law (2013 Revision) (the "**Companies Law**") confirming a reduction of the capital of the Company, which has been approved by special resolution of the Company's shareholders.

Background

2 The Company was incorporated and registered on 7 May 1991 as an exempted company limited by shares. The Company's initial name was *"Regent Pacific Group Limited"*, however, this was changed to *"iRegent.com Limited"* on 16 May 2000 and again changed to *"iRegent Group Limited"* on 18 September 2000. The Company further changed its name on 18 November 2002 and reverted to its original and current name, *"Regent Pacific Group Limited"*.

3 The registered office of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business is at 8th Floor, Henley Building, 5 Queen's Road Central, Hong Kong.

THIS PETITION was issued by Maples and Calder, attorneys for the Petitioner, whose address for service is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. (Ref: JSE/JPT/716579.02/42727805)

4 The objects for which the Company was formed are unrestricted but include, without limitation, to act and to perform all the functions of a holding company and as an investment company and to carry out the other objects more particularly set forth in the Company's Amended and Restated Memorandum and Articles of Association (the "**Articles**") dated 30 May 2012 (as amended from time to time).

5 Since 19 May 1997 the shares of the Company have been listed and traded on The Stock Exchange of Hong Kong (the "**HK Stock Exchange**") and since 30 April 1998, the shares of the Company have also been traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Company's share capital - History

6 The Company was incorporated and registered with an authorised share capital of US$900,000.00 divided into 900,000 shares with a nominal or par value of US$1.00 each.

7 On 7 June 1991, by a unanimous written resolution, the authorised share capital of the Company was subdivided into 90,000,000 shares with a nominal or par value of US$0.01 each.

8 On 23 March 1992, by an ordinary resolution, the authorised share capital of the Company was increased to US$2,000,000 by the creation of an additional 110,000,000 shares of US$0.01 each.

9 By a special resolution passed by the Company on 2 May 1997, the authorised share capital was increased to US$20,000,000 by the creation of an additional 1,800,000,000 shares of US$0.01 each.

10 On 16 May 2000, by an ordinary resolution, the Company's authorised share capital was increased from US$20,000,000 divided into 2,000,000 ordinary shares ("**Ordinary Shares**") of US$0.01 each to US$20,867,281.47 divided into 2,000,000,000 shares of US$0.01 each and 86,728,147 unclassified shares ("**Unclassified Shares**") of US$0.01 each. The Unclassified Shares may be issued as Ordinary Shares or as non-voting convertible deferred shares ("**Deferred Shares**") of US$0.01 each.

11 On 4 December 2002, by a special resolution, the Company's authorised share capital was further increased to US$25,500,000 comprising 2,000,000,000 Ordinary Shares and 550,000,000 Unclassified Shares.

12 On 18 November 2005, by an ordinary resolution, the Company's authorised share capital was increased to US$55,500,000 comprising 5,000,000,000 Ordinary Shares and 550,000,000 Unclassified Shares.

13 On 23 November 2006, by a special resolution, the Company's authorised share capital was increased to US$55,500,062.50 comprising 5,000,000,000 Ordinary Shares, 550,000,000 Unclassified Shares and 6,250 redeemable convertible preference shares (the "**Redeemable Convertible Preference Shares**") of US$0.01 each.

14 On 8 December 2007, by way of an ordinary resolution, the Company's authorised share capital was increased to US$105,500,062.50 comprising 10,000,000,000 Ordinary Shares, 550,000,000 Unclassified Shares and 6,250 Redeemable Convertible Preference Shares of US$0.01 each.

15 By an ordinary resolution passed at an extraordinary general meeting of the Company held on 12 June 2009 and which came into effect on 25 June 2009, the 6,250 issued and outstanding Redeemable Convertible Preference Shares (which had not been taken or agreed to be taken by any person pursuant to and in accordance with Section 13(1)(e) of the Companies Law (2007 Revision)) were cancelled. Accordingly, the Company's authorised share capital reverted to US$105,500,000 comprising 10,000,000,000 Ordinary Shares and 550,000,000 Unclassified Shares.

16 On 2 March 2016, by an ordinary resolution, the Company's authorised share capital was increased to US$235,500,000 by the creation of 13,000,000,000 additional Ordinary Shares so that the Company's authorised share capital comprised 23,000,000,000 Ordinary Shares (also referred to as "**Shares**") and 550,000,000 Unclassified Shares.

17 By an ordinary resolution passed at an extraordinary general meeting of the Company held on 8 June 2016 and which came into effect on 10 June 2016, every ten (10) Ordinary Shares of US$0.01 each in the issued and unissued capital of the Company were consolidated into one (1) Ordinary Share of US$0.10 each and every ten (10) Unclassified Shares of US$0.01 each were consolidated into one (1) Unclassified Share of US$0.10 each (together, the "**Share Consolidation**"). Therefore, immediately following the Share Consolidation, the authorised share capital of the Company was US$235,500,000 divided into 2,300,000,000 Ordinary Shares of US$0.10 each and 55,000,000 Unclassified Shares of US$0.10 each.

18 Accordingly, as at the date of this Petition, the Company's authorised share capital is US$235,500,000 divided into 2,300,000,000 Ordinary Shares of US$0.10 each and 55,000,000 Unclassified Shares of US$0.10 each. As at the date of this Petition, there are 1,737,251,182 issued shares of the Company, each of which is fully paid.

Power to reduce the Company's share capital

19 Pursuant to Article 6 of the Articles, the Company has the power to reduce its share capital by special resolution subject to the Companies Law. Article 6 provides as follows:

"The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by law."

20 By a special resolution duly passed in accordance with the Articles and Section 60 of the Companies Law at an extraordinary general meeting of the Company's shareholders held on 19 August 2016 in the Specialist Administrative Region of Macau (the "**EGM**") it was resolved:

*"THAT subject to and conditional upon: (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the "**Court**"); (ii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction; (iii) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law, Chapter 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands with respect to the Capital Reduction; and (iv) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction, with effect from the date on which these conditions are satisfied (the "**Effective Date**"):*

*(a) the issued share capital of the Company be and is hereby reduced from US$173,725,118.20 to US$17,372,511.82 by: (i) the cancellation of US$0.09 paid up capital on each issued share so that each issued share shall be treated as one fully paid up share of US$0.01 each in the capital of the Company; and (ii) the reduction of the par value of each unissued share from US$0.10 to US$0.01, such that the authorised share capital of the Company shall be reduced from US$235,500,000 comprising: (a) 2,300,000,000 shares of a nominal or par value of US$0.10 each ("**Share(s)**"); and (b) 55,000,000 unclassified*

*shares of a nominal or par value of US$0.10 each (which may be issued as Shares or as non-voting convertible deferred shares of a nominal or par value of US$0.10 each) to US$23,550,000 comprising: (i) 2,300,000,000 new shares of a nominal or par value of US$0.01 each ("**New Share(s)**"); and (ii) 55,000,000 unclassified shares of a nominal or par value of US$0.01 each (which may be issued as New Shares or as new non-voting convertible deferred shares ("**New Deferred Share(s)**") of a nominal or par value of US$0.01 each) ("**Capital Reduction**");*

*(b) the directors of the Company (the "**Directors**") be and are hereby authorised to apply the credit arising from the Capital Reduction in the amount of approximately US$156,352,606.38 to set off the accumulated losses of the Company as at the Effective Date, thereby reducing the accumulated losses of the Company;*

(c) all of the New Shares and the New Deferred Shares resulting from the Capital Reduction shall rank pari passu in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares and non-voting convertible deferred shares contained in the articles of association of the Company; and

(d) the Directors be and are hereby generally authorised for and on behalf of the Company to do all such acts and things, including but not limited to execution of all documents, which the Directors deem necessary, appropriate or desirable or expedient to complete, implement and give effect to any matters relating to or in connection with the Capital Reduction."

Purpose of the Capital Reduction

21 As at 31 December 2015, the Company had accumulated losses of approximately US$284,032,000.00 (the "**Accumulated Losses**"). The Board of Directors of the Company has determined that these Accumulated Losses are permanent.

22 The Company proposes that the credit item of US$156,352,606.38 arising upon the confirmation of the reduction of capital be applied against the Accumulated Losses of the Company, thus reducing those permanent losses to US$127,679,393.62 (and not US$127,367,390.62 as incorrectly stated in the Announcement and the Circular). Unless the Company can generate net profits in excess of US$127,679,393.62 starting from 1 January 2016 and thereby transform the

outstanding accumulated losses into retained earnings, the Company will be unable to announce or distribute any dividends by way of debiting the account of accumulated losses.

23 In addition to applying the credit item arising upon the capital reduction against permanent losses, the other purpose of the Capital Reduction is to give greater flexibility to the Company to declare dividends and when the Board considers that it is appropriate to do so in the future.

24 Further, the Capital Reduction will enable the nominal or par value of the Shares to be reduced from US$0.10 to US$0.01 each, thus giving greater flexibility to the Company in terms of pricing future share issuances should the Board consider it prudent or advisable to raise funds in this way. In this regard, the Company is not permitted pursuant to its Articles of Association and the Companies Law, to issue new Shares below their nominal or par value without, amongst other things, approval of the Grand Court. A post-capital reduction par value of US$0.01 per share of the Company (compared with the current US$0.10) would maximise the Company's flexibility in terms of new share issuances and raising capital for the future needs of the Company.

25 The proposed capital reduction does not involve the diminution of any liability in respect of unpaid capital or the payment of any shareholder of any paid-up capital.

Minute of Order

26 The form of Minute proposed to be registered is as follows:

*"The capital of Regent Pacific Group Limited (the "**Company**") was, by virtue of a Special Resolution passed on [19 August 2016] and confirmed by an Order of the Grand Court, reduced from US$235,500,000 comprising (a) 2,300,000,000 ordinary shares ("**Shares**") of a nominal or par value of US$0.10 each; and (b) 55,000,000 unclassified shares of a nominal or par value of US$0.10 each (which may be issued as Shares or as non-voting convertible deferred shares ("**Deferred Shares**") of a nominal or par value of US$0.10 each) to US$23,550,000 comprising: (i) 2,300,000,000 Shares of a nominal or par value of US$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US$0.01 each (which may be issued as Shares or as Deferred Shares of a nominal or par value of US$0.01 each). At the date of the registration of this Minute, 1,737,251,182 shares in the Company have been issued and are deemed to be fully paid up. On the said reduction of capital taking effect, the authorised share capital of the Company will be US$23,550,000 comprising: (i) 2,300,000,000 Shares of a nominal or par value of US$0.01 each; and (ii) 55,000,000 unclassified shares of a nominal or par value of US$0.01 each (which may be*

issued as Shares or as Deferred Shares of a nominal or par value of US$0.01 each), of which 1,737,251,182 shares are issued and are fully paid up and the remainder are unissued."

AND THE PETITIONER HUMBLY PRAYS AS FOLLOWS:

1 That the capital reduction of the Company proposed to be effected by the Special Resolution referred to in paragraph 20 of this Petition be confirmed by the Court.

2 That the Minute referred to in paragraph 26 of this Petition be approved by the Court.

3 That, to this end, all necessary inquiries may be made and directions may be given.

4 Such further or other order as the Court sees fit.

DATED this 22nd day of August 2016

Maples and Calder

Maples and Calder

NOTE: This petition is not intended to be served on anyone.

THIS PETITION was issued by Maples and Calder, attorneys for the Petitioner, whose address for service is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. (Ref: JSE/JPT/716579.02/42727805)