



# Regent Pacific Group Limited



*(Incorporated in the Cayman Islands with Limited Liability)*

Stock Code: 0575

14 October 2009

## ANNOUNCEMENT



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## MAJOR TRANSACTION DISPOSAL OF THE ZHUN DONG COAL PROJECT AMENDMENT TO SHARE PURCHASE AGREEMENT

### SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 and Chapter 14 of the HK Listing Rules.

The Company refers to the announcements made by it on 21 August 2009 and 28 and 30 September 2009 and the Circular each in respect of the contemplated Disposal of the Zhun Dong Project.





On 14 October 2009 (and after Hong Kong market close), Regent Coal (BVI), the Purchaser and Wang Xiaoxu entered into the Amendment Agreement to the Share Purchase Agreement to, among other things: (A) increase the total consideration payable in respect of the Disposal to an amount equal to the aggregate sum of: (i) the US\$ Equivalent of RMB 380,000,000 (being approximately US\$55,665,422 or HK\$434,190,292) in cash; (ii) the Shareholder Loans Amount; and (iii) the Cash and Drilling Adjustment (now increased to a maximum of the US\$ Equivalent of RMB 9,500,000 (being approximately US\$1,391,636 or HK\$10,854,761) from the previously disclosed sum of RMB 7,300,000 (being approximately US\$1,069,362 or HK\$8,341,024)); and (B) include a new condition precedent to Completion, that the Purchaser and/or Xin Jiang Regent Coal has or have entered into an agreement, letter of intent, memorandum of understanding, term sheet or other similar binding or non-binding, written or oral, arrangement with a third party on or prior to the 15<sup>th</sup> Business Day from completion of the registration of the change of legal representative (further details of which are referred to below and which deadline the parties may agree to extend) in respect of its on-sale, at or following Completion (but conditional on Completion having taken place), to such third party of Xin Jiang Regent Coal and/or any or all of the Exploration Licences on terms satisfactory to Regent Coal (BVI) (in its sole discretion).

Previously the Consideration was the US\$ Equivalent of RMB 240,000,000 (being approximately US\$35,157,108 or HK\$274,225,442), so the Amendment Agreement has increased the total Consideration payable by the US\$ Equivalent of RMB 140,000,000 (being approximately US\$20,508,313 or HK\$159,964,841).

Of the Consideration, the US\$ Equivalent of RMB 304,000,000 (being approximately US\$44,532,337 or HK\$347,352,229) is payable at Completion, through the same Joint Account construct as previously disclosed, while the remaining US\$ Equivalent of RMB 76,000,000 (being approximately US\$11,133,084 or HK\$86,838,055) is payable on a deferred basis (further details of which are set out below).

The obligations of the Purchaser are now guaranteed by its Controller.

The Disposal remains conditional upon, *inter alia*, the passing of an ordinary resolution by the Shareholders approving the Disposal (including the payment of the Finder's Fee) pursuant to the HK Listing Rules and the long stop date of 31 December 2009 has not been changed.

The Disposal continues to constitute a major transaction of the Company under Chapter 14 of the HK Listing Rules.

## **GENERAL**

Further to the announcement dated 30 September 2009, the Extraordinary General Meeting to approve the Disposal held on Wednesday, 30 September 2009 was adjourned until further



notice without any resolution being considered other than a resolution to adjourn the Extraordinary General Meeting. Accordingly, the Supplemental Circular containing, among other things, further details of the Amendment Agreement, the Disposal, and the new date for the EGM, will be despatched to the Shareholders as soon as practicable.

**As completion of the Disposal is subject to the fulfilment of a number of conditions, including the New Condition, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

Regent Pacific Group Limited (the “**Company**”) is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on The Stock Exchange of Hong Kong Limited and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining company focused, primarily, on the Asian region. While it explores for and mines copper, zinc, gold, silver, lead and thermal coal, it also has passive interests in uranium companies and an iron ore company whose assets are located in Africa and Australia. Its principal assets are located in Yunnan Province, Inner Mongolia and Xinjiang, China.

Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning given to them in the circular dated 11 September 2009 issued by the Company (the “**Circular**”).

The Company refers to the announcements made by it on 21 August 2009 and 28 and 30 September 2009 and the Circular each in respect of the contemplated Disposal of the Zhun Dong Project.

By way of an update, the Company is pleased to report that the Purchaser has paid the US\$ Equivalent of RMB 24,000,000 (being approximately US\$3,515,711 or HK\$27,422,546), the Deposit required under the Share Purchase Agreement, and it is currently in the Joint Account. Of the Deposit, the US\$ Equivalent of RMB 20,000,000 (being approximately US\$2,929,759 or HK\$22,852,120) has been released to Regent Coal (BVI) (or as it may direct) to discharge the registered capital obligations of Regent Coal (HK) in respect of the registered capital of Xin Jiang Regent Coal.

On 14 October 2009 (and after Hong Kong market close), Regent Coal (BVI), the Purchaser and Wang Xiaoxu entered into an amendment agreement to the Share Purchase Agreement to amend certain provisions of the Share Purchase Agreement, further details of which are set out below (the “**Amendment Agreement**”).



## AMENDMENT AGREEMENT

(a) **Date**

14 October 2009

(b) **Parties**

Seller: Regent Coal (BVI)

Purchaser: Creative International (HK) Limited

Guarantor: Wang Xiaoxu

(c) **Subject Matter**

Certain amendments to the Share Purchase Agreement.

(d) **Material Amendments to the Share Purchase Agreement**

Set out below are the substantive amendments to the Share Purchase Agreement set out in the Amendment Agreement.

The Amendment Agreement has increased the total consideration payable in respect of the Disposal to an amount equal to the aggregate sum of: (i) the US\$ Equivalent of RMB 380,000,000 (being approximately US\$55,665,422 or HK\$434,190,292) in cash (the “**Consideration**”); (ii) the Shareholder Loans Amount; and (iii) the Cash and Drilling Adjustment (now increased to a maximum of the US\$ Equivalent of RMB 9,500,000 (being approximately US\$1,391,636 or HK\$10,854,761), from the previously disclosed sum of RMB 7,300,000 (being approximately US\$1,069,362 or HK\$8,341,024)). Previously, the Consideration was the US\$ Equivalent of RMB 240,000,000 (being approximately US\$35,157,108 or HK\$274,225,442), so the Amendment Agreement has increased the total Consideration payable by the US\$ Equivalent of RMB 140,000,000 (being approximately US\$20,508,313 or HK\$159,964,841).

Of the Consideration, the US\$ Equivalent of RMB 304,000,000 (being approximately US\$44,532,337 or HK\$347,352,229) is payable at Completion through the same Joint Account construct as previously disclosed. The remaining US\$ Equivalent of RMB 76,000,000 (being approximately US\$11,133,084 or HK\$86,838,055) is payable on the next Business Day following the earlier of: (i) completion of the third party sale as contemplated in the new condition set out below; and (ii) the day which is six months from the day on which Completion takes place (but no more than six months).



Against agreement to increase the total consideration payable in respect of the Disposal in the above stated amount, the Amendment Agreement also provides for the inclusion of a new condition precedent to Completion, that the Purchaser and/or Xin Jiang Regent Coal has or have entered into an agreement, letter of intent, memorandum of understanding, term sheet or other similar binding or non-binding, written or oral, arrangement with a third party on or prior to the 15<sup>th</sup> Business Day from completion of the registration of the change of legal representative (further details of which are referred to below and which deadline the parties may agree to extend) in respect of its on-sale, at or following Completion (but conditional on Completion having taken place), to such third party of Xin Jiang Regent Coal and/or any or all of the Exploration Licences on terms satisfactory to Regent Coal (BVI) (in its sole discretion) (the “**New Condition**”).

For the sole purpose of facilitating the satisfaction of the New Condition, Regent Coal (BVI) has agreed to replace the existing legal representative of Xin Jiang Regent Coal with a representative of the Purchaser to negotiate the third party sale contemplated in the New Condition, with such replacement to be effected as soon as practicable following the signing of the Amendment Agreement. Regent Coal (BVI) may revoke such appointment and replace the legal representative at any time and shall retain possession and control over the chops, seals and all other instruments of authority.

Given that the Due Diligence Period has now expired and the related condition in respect of access to the Data Room satisfied, the parties agreed to remove this condition from the Share Purchase Agreement.

However, the Amendment Agreement did also provide that, in the event that the New Condition has not been satisfied, and irrespective of blame, the transactions contemplated under the Share Purchase Agreement (as amended) shall proceed as if such condition had been satisfied, provided that: (i) the legal representative of Xin Jiang Regent Coal shall revert back to a nominee of Regent Coal (BVI); and (ii) the Share Purchase Agreement shall be interpreted and construed as providing for the total Consideration payable by the Purchaser to the Seller to be the US\$ Equivalent of RMB 300,000,000 (being approximately US\$43,946,385 or HK\$342,781,803), with the amount payable at Completion to be the US\$ Equivalent of RMB 276,000,000 (being approximately US\$40,430,675 or HK\$315,359,265), payable through the same Joint Account construct as previously disclosed, and there being no deferred consideration payable post Completion. The remaining provisions of Share Purchase Agreement shall, except as expressly amended by this Amendment Agreement, continue in full force and effect in accordance with its terms.



Irrespective of whether the New Condition has been satisfied or not, the Purchaser has agreed to indemnify and pay on Regent Coal (BVI)'s behalf, in full, the 5 per cent. commission that Regent Coal (BVI) is or may be required to make to Du Yu Xin (the finder under the Finder's Fee Agreement) in respect of any consideration that it may receive in respect of the Disposal in excess of the US\$ Equivalent of RMB 240,000,000 previously agreed.

Completion will continue to take place on the day that is three Business Days after the satisfaction or, where capable of waiver, waiver of the last of the conditions and in any event by 31 December 2009 (or such date as may be agreed between the parties).

It is now expected that Completion will take place in or around late November 2009, subject to change due to various factors, including shareholder and regulatory approvals. The Company will notify Shareholders of any material changes to the expected date of Completion if and when appropriate.

The obligations of the Purchaser are now guaranteed by Wang Xiaoxu, its controlling shareholder (the "**Controller**").

## **GENERAL**

Further to the announcement dated 30 September 2009, the Extraordinary General Meeting to approve the Disposal held on Wednesday, 30 September 2009 was adjourned until further notice without any resolution being considered other than a resolution to adjourn the Extraordinary General Meeting.

While the resolution previously put forward to the Shareholders in the EGM Notice to consider and, if thought fit, approve the Disposal (including the payment of the Finder's Fee) will not change, a Supplemental Circular containing, among other things, further details of the Amendment Agreement, the Disposal, and the new date for the EGM, will be despatched to the Shareholders as soon as practicable.



**Shareholders and potential investors should note that the Share Purchase Agreement (as amended by the Amendment Agreement) is subject to a number of conditions to be fulfilled, including the New Condition. As the conditions may or may not be fulfilled, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

Note: Unless otherwise specified herein, amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ and RMB using the exchange rate of US\$1.00 = HK\$7.80 and RMB 6.8265.

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

Jamie Gibson  
*Director*

**Directors of the Company:**

James Mellon (*Co-Chairman*)<sup>\*</sup>  
Stephen Dattels (*Co-Chairman*)<sup>\*</sup>  
Jamie Gibson (*Chief Executive Officer*)  
Clara Cheung  
David Comba<sup>#</sup>  
Julie Oates<sup>#</sup>  
Mark Searle<sup>#</sup>  
Jayne Sutcliffe<sup>\*</sup>

<sup>\*</sup> *Non-Executive Directors*

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

Hong Kong, 14 October 2009