



# Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

31 December 2009



## ANNOUNCEMENT

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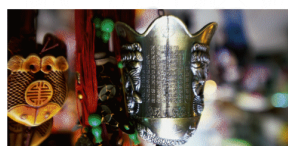


### DISCLOSEABLE TRANSACTION TERMINATION OF INVESTMENT AND COOPERATION AGREEMENT RELATING TO FORMATION OF AN INDONESIAN COAL MINING JV



#### SUMMARY

To date, the Indonesian Government has not formally adopted the Implementation Regulations in respect of the new Indonesian Law on Mineral and Coal Mining. Until such time, the Company has been advised that no valid exploration or mining concession can be issued in respect of projects falling within the operation of such law. Given the expiry of the Long Stop Date (previously extended to 31 December 2009) and the absence of any certainty as to when the Implementation Regulations will be approved and adopted, the Company has exercised its right and served notice on the remaining parties to the Investment and Cooperation Agreement to terminate it effective as of 1 January 2010.



The directors (the “**Directors**” or the “**Board**”) of Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries,



the “**Group**”) refer to the circular issued by the Company on 18 July 2008 (the “**Circular**”) and the announcements issued on 2 January 2009 and 29 April 2009 (the “**Relevant Announcements**”), each in respect of the proposed acquisition by RPGL of a controlling (75 per cent) interest in a Singapore incorporated JV Co to be established to obtain contractual rights to economic benefits flowing from certain Indonesian coal mining concessions. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings given to them in the Circular and the Relevant Announcements.

### **Continued Indonesian Legal and Regulatory Uncertainty**

To date, the Indonesian Government has not formally adopted the Implementation Regulations in respect of the new Indonesian Law on Mineral and Coal Mining (referred to as “**Minerba**”). Until such time, the Company has been advised that no valid exploration or mining concession can be issued in respect of projects falling within the operation of the Minerba.

### **Termination of Investment and Cooperation Agreement**

Given the expiry of the Long Stop Date (previously extended to 31 December 2009) and the absence of any certainty as to when the Implementation Regulations will be approved and adopted, the Company has exercised its right and served notice on the remaining parties to the Investment and Cooperation Agreement to terminate it effective as of 1 January 2010.

### **Effects of the Termination on the Group**

As the Investment and Cooperation Agreement was terminated prior to Closing, no acquisition consideration was paid or is payable by the Company.

However, to date the Company has contributed US\$2,050,000 (or approximately HK\$15,990,000), by way of deposits, and approximately US\$4,344,914 (or approximately HK\$33,890,329) (including interest) by way of intercompany loans to Blue Pacific or companies owned, controlled or affiliated by or with Blue Pacific in respect of this project. The Company has every intention of recovering the deposits and the intercompany loan amounts (in full).



## Prospects and Ongoing Strategy

Termination of the Investment and Cooperation Agreement will enable the Company to continue to streamline its short, medium and long term strategy which is to leverage off its highly credentialled in-house M&A and technical team to:

- optimise the existing asset portfolio and monetise non-core investments
- focus on select regional acquisition opportunities at differing stages of the value chain
- generate a pipeline of accretive projects that will deliver sustainable returns to shareholders
- build a diversified resources portfolio that addresses specific shortages of targeted commodities.

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

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, 31 December 2009