



# Regent Pacific Group Limited



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

Stock Code: 0575

23 March 2010



## ANNOUNCEMENT

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## DISCLOSEABLE TRANSACTION SUBSCRIPTION FOR SHARES IN VENTUREX RESOURCES LIMITED



### 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.

On 23 March 2010 (after market close) the Company executed a subscription agreement with Venturex, pursuant to which it agreed to subscribe for a total of 133,911,850 new Venturex Shares pursuant to the Subscription, at AUD 0.09 (or approximately US\$0.0828 or HK\$0.6458) per Venturex Share, representing an aggregate of approximately 19.99 per cent. of the enlarged issued share capital of Venturex, following the Subscription (but excluding the issue of any Venturex Shares in respect of the exercise of the Financing Options or other options granted prior to the date hereof), for an aggregate amount of AUD 12,052,067 (or approximately US\$11,087,902 or HK\$86,485,636).





The Subscription will be made in two tranches, with Tranche One being for 80,297,503 new Venturex Shares and Tranche Two being for 53,614,347 new Venturex Shares, representing approximately 11.99 and 8.00 per cent., respectively, of the enlarged issued share capital of Venturex, following the Subscription (but excluding the issue, if any, of any Venturex Shares in respect of the exercise of the Financing Options and other options granted prior to the date hereof).

Tranche One is expected to complete on or around mid to late April 2010 and Tranche Two is expected to complete on or around late May to early June 2010.

To assist Venturex with the pursuit of acquisition opportunities, the Company has also, on 23 March 2010 (after market close), entered into a non-legally binding and indicative term sheet to provide the first AUD 15,000,000 (or approximately US\$13,800,000 or HK\$107,640,000) of any acquisition financing until 30 September 2010, by way of a secured Convertible Note. While the terms of any such financing are yet to be agreed, the Company has been granted a legally binding exclusive right to fund such amount in priority up to 30 September 2010. The term sheet contemplates that the Convertible Note includes a three year term, a conversion price of AUD 0.12 (or approximately US\$0.11 or HK\$0.86) for each Venturex Share and an interest rate coupon of one per cent. Any such financing remains subject to definitive and legally binding documentation.

The entry into and completion of any Convertible Note or related financing will be subject to, and conditional upon, compliance with Chapter 14 of the HK Listing Rules.

Prior to the Company's above referenced Subscription, the Company held no interest in Venturex Shares.

The above referenced Subscription in Venturex constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

**Shareholders and potential investors should note that the Subscription is subject to the satisfaction of a number of conditions, including the shareholder approval of Venturex shareholders. As these conditions may or may not be fulfilled, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Moreover, Shareholders should note that neither the Company nor Venturex has any legal obligation to enter into the Convertible Note, if any, and any such further financing remains subject to concluding commercial negotiations and executing legally binding and definitive documentation.**



## Subscription

The Board is pleased to announce that, on 23 March 2010 (after market close), the Company executed a subscription agreement with Venturex, pursuant to which it agreed to subscribe for a total of 133,911,850 new Venturex Shares pursuant to the Subscription, at AUD 0.09 (or approximately US\$0.0828 or HK\$0.6458) per Venturex Share, representing an aggregate of approximately 19.99 per cent. of the enlarged issued share capital of Venturex, following the Subscription (but excluding the issue of any Venturex Shares in respect of the exercise of the Financing Options and other options granted prior to the date hereof), for an aggregate amount of AUD 12,052,067 (or approximately US\$11,087,902 or HK\$86,485,636).

The Subscription will be made in two tranches, with Tranche One being for 80,297,503 new Venturex Shares and Tranche Two being for 53,614,347 new Venturex Shares, representing approximately 11.99 and 8.00 per cent., respectively, of the enlarged issued share capital of Venturex, following the Subscription (but excluding the issue of any Venturex Shares in respect of the exercise of the Financing Options and other options granted prior to the date hereof).

Tranche One is expected to complete on or around mid to late April 2010 and Tranche Two is expected to complete on or around late May to early June 2010.

Prior to the Company's above referenced Subscription, the Company held no interest in Venturex Shares.

As Venturex has insufficient room under its existing general mandate, the Subscription is subject to and conditional upon *inter alia* the following:

- (i) in respect of Tranche One, the approval and ratification of the grant of the Financing Options at Venturex's extraordinary general meeting convened for 15 April 2010; and
- (ii) in respect of Tranche Two, the approval of the issue of new Venturex Shares in conjunction with Tranche Two.

Tranche One is separate from, and not inter-conditional with, Tranche Two of the Subscription. However, Tranche Two is subject to and inter-conditional with the completion of the Tranche One subscription.

Both Tranche One and Tranche Two are conditional upon the representation and warranties included in the subscription agreement remaining true and accurate and not misleading at or prior to the respective completion dates.



Venturex has also granted the Company a negative covenant in respect of any further equity issues for the next two years.

Each tranche of the Subscription requires or contemplates quotation of the Venturex Shares issued under the Subscription on ASX, which is expected to occur, and dealings in such Venturex Shares to commence, on or around mid to late April 2010, in respect of Tranche One, and on or around late May to early June 2010, in respect of Tranche Two.

The Venturex Shares placed under the Subscription will, when issued, rank *pari passu* in all respects with the existing issued shares of Venturex, including the right to receive any dividends and other distributions declared following their admission to ASX.

There are no anticipated restrictions to the subsequent sale of any of the Company's newly subscribed Venturex Shares on ASX under the Subscription.

The above referenced Subscription in Venturex constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

### **Venturex Consideration**

The Subscription of 133,911,850 new Venturex Shares was negotiated on an arms length basis between the Company, on the one hand, and Venturex, on the other by reference to the then market price of Venturex Shares, with the subscription price of AUD 0.09 per Venturex Share, in respect of each of the new Venturex Shares subscribed for by the Company, representing parity to the closing or pre-trading halt price of Venturex Shares on ASX on 18 March 2010, its last day or half-day of trading prior to commencing a trading halt.

In respect of the Company's projected shareholding in Venturex, being the Venturex Shares subscribed for by the Company under the Subscription, the Company's attributable share of Venturex's: (i) net loss (both before and after taxation and extraordinary items) for the financial year ended 30 June 2009 is AUD 1,196,393 (or approximately US\$1,100,682 or HK\$8,585,320); and (ii) net loss (both before and after taxation and extraordinary items) for the financial year ended 30 June 2008 is AUD 4,038,414 (or approximately US\$3,715,341 or HK\$28,979,660).

The net asset value of Venturex is AUD 3,262,607 (or approximately US\$3,001,598 or HK\$23,412,464) as at 30 June 2009, being the number shown in Venturex's latest publicly disclosed audited financial statements for the year ended 30 June 2009.



## Possible Additional Financing

To assist Venturex with the pursuit of acquisition opportunities, the Company has also, on 23 March 2010 (after market close), entered into a non-legally binding and indicative term sheet to provide the first AUD 15,000,000 (or approximately US\$13,800,000 or HK\$107,640,000) of any acquisition financing until 30 September 2010, by way of a secured Convertible Note. While the terms of any such financing are yet to be agreed, the Company has been granted a legally binding exclusive right to fund such amount in priority up to 30 September 2010. The term sheet contemplates that the Convertible Note may include a three year term, a conversion price of AUD 0.12 (or approximately US\$0.11 or HK\$0.86) for each Venturex Share and an interest rate coupon of one per cent.

The non-legally binding and indicative term sheet sets out the indicative and non-legally binding terms upon which the parties will continue discussion and negotiation of the definitive documents required in respect of the Convertible Note. Any such financing remains subject to definitive and legally binding documentation.

Venturex shareholder approval will be required and sought for the issue of the Convertible Note, if any, at the same meeting to approve the issuance of the new Venturex Shares comprising Tranche Two.

Any entry into and completion of any Convertible Note or related financing will be subject to, and conditional upon, compliance with Chapter 14 of the HK Listing Rules.

## Background on Venturex

Venturex (ASX:VXR) is a high growth, ASX listed exploration and development company focused on its portfolio of Volcanic Hosted Massive Sulphide (**VMS**) projects in the Western Pilbara of Western Australia. Venturex also owns Brazilian gold exploration projects through its acquisition of CMG Gold Limited in July 2009. Venturex's Board of Directors comprises highly experienced mining executives with significant financial, technical and operating expertise.

In February 2010, Venturex successfully completed the acquisition of Straits (Whim Creek) Pty Ltd from Straits Resources Limited (ASX:SRL) (**Straits**). The transaction consolidated regional VMS resources and enabled Venturex to advance a scoping study of a centralised milling facility for treating regional copper - zinc - lead - silver gold resources. As a result of the transaction, Straits is now Venturex's largest shareholder with a 19.9 per cent. interest.

Venturex's has a publicly stated strategy of building *"a substantial sulphide base metals resource base to support a future production centre around the acquired Whim Creek Operation."*

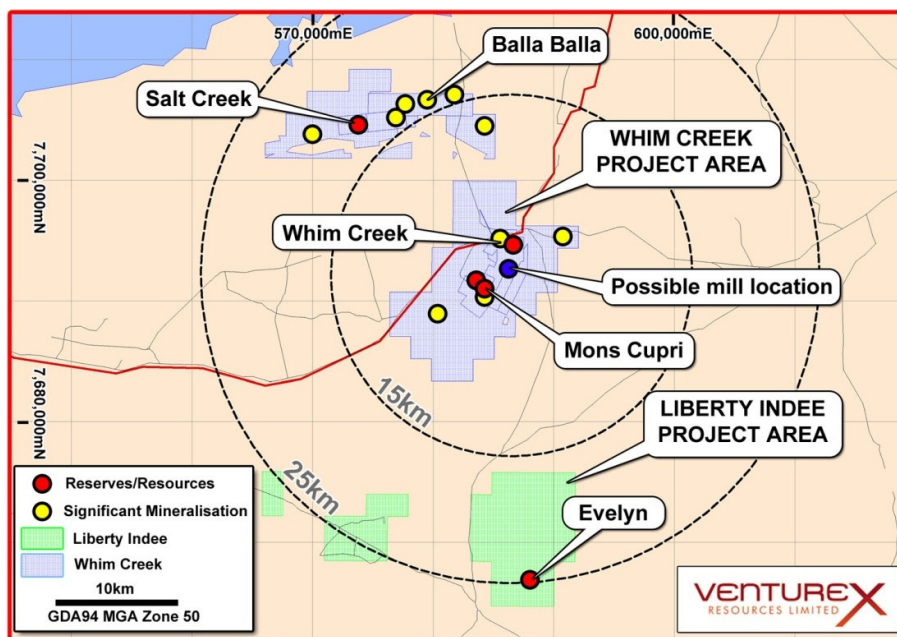


The Company is pleased to provide financial support to Venturex to help it progress its stated strategy.

### Use of Proceeds from the Company's Subscription

The money raised from the Subscription will be used towards an aggressive work programme for defining high grade, high margin resource base for optimisation studies and transforming Whim Creek into a scaled central processing hub for Venturex's known and future VMS deposits in the Western Pilbara of Western Australia. Following the Subscription, Venturex will have free cash reserves of AUD 9.56 million (or approximately US\$8.80 million or HK\$68.64 million) enabling it to pursue an aggressive work program at Whim Creek as well as maintain gold exploration activities in Brazil.

The rapid advancement of this strategy is enhanced by Venturex's ownership of significant existing infrastructure at Whim Creek including a 1 Mtpa crushing circuit, reticulated power and water supply, general mine site infrastructure and an accommodation village enabling any development to be achieved at relatively low capital cost.



The Company understands from Venturex that the previous mining history of Whim Creek focused on oxide copper ore resulting in only limited modern exploration for primary massive sulphide bodies. Notwithstanding this, Venturex has reported that a number of high grade VMS ore systems have been discovered. Sulphide deposits exposed at the base of the Whim Creek and Mons Cupri pits and undeveloped resources at Salt Creek and Liberty-Indee all are reported by Venturex to have defined JORC resources and, according to Venturex, clear potential for growth.



Venturex will also target drill ready VMS targets at the Whim Creek Project, including Mons Cupri Northwest and the Balla Balla prospect in the Salt Creek area. Given the limited exploration for primary sulphide deposits and the proven nature of the VMS systems in the Whim Creek region, Venturex has stated publicly that it is confident that further massive sulphide ore bodies will be discovered with an aggressive exploration program.

Venturex will use the net proceeds from the Subscription to aggressively expand this drilling campaign and rapidly advance the announced development strategy for its West Pilbara assets in Western Australia.

In addition, money raised from Tranche Two of our Subscription will be put towards repaying or prepaying (as the case may be) all of Venturex's existing debt (comprising an aggregate of approximately AUD 4,000,000 (or approximately US\$3,680,000 or HK\$28,704,000) owed to both Macquarie Bank Limited and Argonaut Equity Capital Pty Limited). In the event that Tranche Two does not complete as a result of Venturex shareholders failing to approve the issuance of Tranche Two, the relevant portion of the Tranche One proceeds will be used to discharge the aforementioned debt.

### **Reasons for subscribing for shares in Venturex**

We consider a strategic investment in Venturex as complementary to our existing VMS deposits held via our 40 per cent. equity interest in the Dapingzhang Mine and our 97.5 per cent. equity interest in the Yinzishan Mine, both located in Yunnan Province, China and a sensible diversification of our existing coal projects.

The Board is of the view that the long term outlook for copper and zinc continues to strengthen with the growing realisation that demand from China (the world's largest consumer of copper and zinc) will remain strong in the foreseeable future.

In respect of Venturex specifically, we see the potential for Venturex to commence production in late 2011 and increase their resource base through aggressive exploration of known targets. In addition, the scale and favourable location of the Whim Creek and other Western Pilbara projects in Western Australia presents an attractive investment opportunity in a sophisticated and low risk regulatory environment and, through our investment, we hope to assist Venturex to create a substantial platform from which to consolidate and grow in due course.

In short, the Board considers our Subscription into Venturex to be good value with the potential for significant growth.

The Directors consider the transactions referred to above to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms



of the transactions referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Source of funds**

The subscription costs in respect of Venturex Shares will be paid from the working capital of the Company.

### **Discloseable transaction**

In view of the fact that the aggregate amount of cash used to purchase all of the Company's interest in Venturex (being AUD 12,052,067 (or approximately US\$11,087,902 or HK\$86,485,636)), being the amount to be subscribed to acquire the 133,911,850 new Venturex Shares pursuant to the Subscription, exceeds 5 per cent. but is less than 25 per cent. of the Company's market capitalisation, the above referenced Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Any entry into and completion of any Convertible Note or related financing will be subject to, and conditional upon, compliance with Chapter 14 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the above referenced Subscription and possible additional financing in accordance with the HK Listing Rules.

**Shareholders and potential investors should note that the Subscription is subject to the satisfaction of a number of conditions, including the shareholder approval of Venturex shareholders. As these conditions may or may not be fulfilled, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Moreover, Shareholders should note that neither the Company nor Venturex has any legal obligation to enter into the Convertible Note, if any, and any such further financing remains subject to concluding commercial negotiations and executing legally binding and definitive documentation.**

### **Not a connected transaction**

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Venturex and its respective beneficial owner(s) are third parties independent of the Company and are not connected persons of the Group.

None of the transactions disclosed in this announcement are connected transactions for the purposes of Chapter 14A of the HK Listing Rules.





## Principal business activities of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused on the Asian region. It explores for and mines copper, zinc, gold, silver, lead and thermal coal. Its principal assets are located in Yunnan Province, Inner Mongolia and Xinjiang, China.

## Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“ASX”</b>	Australian Securities Exchange
<b>“AUD”</b>	Australian dollars, the lawful currency in Australia
<b>“Board”</b>	the board of directors of the Company
<b>“China”</b>	Peoples’ Republic of China
<b>“Company”</b>	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 are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“connected person(s)”</b>	shall have the meaning defined in Chapter 14A of the HK Listing Rules
<b>“Convertible Note”</b>	the possible secured convertible note currently being negotiated between Venturex and the Company in respect of the provision, by the Company to Venturex, of up to an additional AUD 15,000,000 (or approximately US\$13,800,000 or HK\$107,640,000) with reference to a non-legally binding and indicative term sheet entered into between the Company and Venturex on 23 March 2010 (after market close)



<b>“Director(s)”</b>	the directors of the Company
<b>“Financing Options”</b>	the 31,578,947 options granted to Macquarie Bank Limited and the 10,526,316 options granted to Argonaut Equity Partners Pty Limited by Venturex in or around January 2010 over new Venturex Shares as consideration for the loan to Venturex of AUD 3,000,000 and AUD 1,000,000 respectively, each having an exercise price of AUD 0.095 per option
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK Listing Rules”</b>	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
<b>“HK Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency in Hong Kong
<b>“Shareholder(s)”</b>	the holders of the Shares
<b>“Share(s)”</b>	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“Subscription”</b>	the subscription by the Company for Tranche One and Tranche Two, pursuant to the subscription agreement entered into with Venturex on 23 March 2010 (after market close), of up to 133,911,850 new Venturex Shares at AUD 0.09 (or approximately US\$0.0828 or HK\$0.6458) per Venturex Share, representing approximately 19.99 per cent. of the enlarged issued share capital of Venturex following the Subscription (but excluding the issue, if any, of any Venturex Shares in respect of the exercise of the Financing Options and other options granted prior to the date hereof), for an aggregate amount of AUD 12,052,067 (or approximately US\$11,087,902 or HK\$86,485,636), announced by Venturex on ASX on 23 March 2010



<b>“Tranche One”</b>	the subscription by the Company for 80,297,503 new Venturex Shares as part of the Subscription, representing approximately 11.99 per cent. of the enlarged issued share capital of Venturex following the Subscription (but excluding the issue of any Venturex Shares in respect of the exercise of the Financing Options or other options granted prior to the date hereof)
<b>“Tranche Two”</b>	the subscription by the Company for 53,614,347 new Venturex Shares as part of the Subscription, representing approximately 8.00 per cent. of the enlarged issued share capital of Venturex following the Subscription (but excluding the issue of any Venturex Shares in respect of the exercise of the Financing Options or other options granted prior to the date hereof)
<b>“US\$”</b>	United States dollars, the lawful currency in the United States
<b>“Venturex”</b>	Venturex Resources Limited, a company having limited liability, the shares of which are listed on ASX
<b>“Venturex Shares”</b>	ordinary voting and listed shares in Venturex

Note: Unless otherwise specified herein, (i) amounts denominated in AUD have been translated, for the purpose of illustration only, into US\$ using the exchange rate of AUD 1.00 = US\$0.92; and (ii) 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, 23 March 2010