



# Regent Pacific Group Limited



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

Stock Code: 0575

18 December 2012



## ANNOUNCEMENT

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## DISPOSAL MANDATE IN RELATION TO THE POSSIBLE FUTURE DISPOSAL OF THE COMPANY'S ENTIRE HOLDING IN BC IRON LIMITED

### POSSIBLE VERY SUBSTANTIAL DISPOSAL



#### SUMMARY

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

As at the date of this announcement, the Company holds 24,002,698 BCI Shares, representing approximately 20.10 per cent. of the issued share capital of BCI (following its recent placement), as disclosed in the notice of change of interests of substantial holder filed and published on ASX on 18 December 2012. BCI Shares are listed on ASX.

Depending on the then prevailing market conditions, the Company may from time to time, in the future, dispose of such BCI Shares.





The disposal of the Company's holding in BCI may constitute a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules and require approval of Shareholders in general meeting of the Company.

To allow flexibility in effecting a future disposal or disposals of the Company's holding in BCI at an appropriate time or times, the Company proposes to seek from Shareholders a Disposal Mandate authorising the Board to effect a disposal or, as the case may require, disposals of any or all of its BCI Shares which, when aggregated with any disposal of BCI Shares by the Company in the preceding 12 month period, may amount to a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules. The Disposal Mandate to be sought from Shareholders will be subject to certain parameters, including the mandate period and price setting mechanism (representing no more than a 7 per cent. discount to the average closing price of BCI Shares on ASX in the five (5) trading days immediately prior to the date of the relevant sale and purchase agreement and, in any event, the minimum selling price shall not be less than A\$3.20 per BCI Share).

It is the intention of the Company, consistent with its stated business strategy, to use the proceeds from the exercise of the Disposal mandate, together with the existing cash and liquid cash reserves of the Group to acquire: (i) strategic, controlling and operational interests in mining companies and assets; and (ii) listed securities of resource companies, in order to enhance Shareholders' value.

Subsequent to the exercise, in full, of the Disposal Mandate, the Company will cease to hold any BCI Shares.

The Directors are of the view that now is the right time to seek the Disposal Mandate given the value that has been created now that BCI has successfully negotiated a significant transaction with FMG (further details of which are set out in the section titled "Principal Business Activities of BCI" below) that will: (i) provide the Nullagine Iron Ore Joint Venture with available capacity on FMG's rail and port infrastructure in respect of 6 Mtpa for the life of the Nullagine Iron Ore Joint Venture, from the existing 5 Mtpa; and (ii) enable BCI to increase its participating interest in the Nullagine Iron Ore Joint Venture to 75 per cent., from its current participating interest of 50 per cent., with such additional interest relating to a project now capable of producing at a rate of 6 Mtpa.



In view of the Directors' decision to seek the Disposal Mandate from Shareholders, Mr Jamie Gibson resigned as a non-executive director from the board of BCI with effect from 18 December 2012. Upon the resignation of Mr. Gibson, the Company is considered to possess no significant influence over the financial and operating activities of BCI and the Company's interests in BCI will be accounted for as financial assets at fair value through profit or loss in the Company's financial statements.

## **GENERAL**

The Circular containing, among other things, further details of the Disposal Mandate and notice of EGM, will be despatched to the Shareholders as soon as practicable.

The Company is not currently engaged in any discussion with any party to dispose of its holding in BCI and neither does the Company have any current intention to dispose of its BCI Shares within any particular timeframe. There is no assurance that the Company will proceed with the future disposal of its holding in BCI within a particular timeframe after obtaining the Disposal Mandate. Whether and when the Company will embark on such future disposal or disposals will depend on a number of factors, including the prevailing market prices and conditions at the relevant time or times.

**As exercise of the Disposal Mandate is subject to a number of factors, including approval from Shareholders, the future disposal of BCI Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

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

## **Future Disposal of BCI Shares May Constitute a Very Substantial Disposal**

As at the date of this announcement, the Company holds 24,002,698 BCI Shares, representing approximately 20.10 per cent. of the issued share capital of BCI (following its recent placement), as disclosed in the notice of change of interests of substantial holder filed and published on ASX on 18 December 2012. BCI Shares are listed on ASX.

Depending on the then prevailing market conditions, the Company may from time to time, in the future, dispose of such BCI Shares.



The disposal of the Company's holding in BCI may constitute a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules and require approval of Shareholders in general meeting of the Company.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right time and it would not be practicable to seek prior Shareholders' approval for each disposal of BCI Shares which, when aggregated with any disposal of BCI Shares by the Company in the preceding 12 month period, may amount to a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules.

To allow flexibility in effecting a future disposal or disposals of the Company's holding in BCI at an appropriate time or times, the Company proposes to seek from Shareholders a Disposal Mandate subject to the parameters below. The Company is not currently engaged in any discussion with any party to dispose of its holding in BCI and neither does the Company have any current intention to dispose of its BCI Shares within any particular timeframe. There is no assurance that the Company will proceed with the future disposal of its holding in BCI within a particular timeframe after obtaining the Disposal Mandate. Whether and when the Company will embark on such future disposal or disposals will depend on a number of factors, including the prevailing market prices and conditions at the relevant time or times.

## **Disposal Mandate**

The Disposal Mandate to be sought from the Shareholders will be on the following terms:

### **1. Mandate Period**

- for a period of 12 months from the passing of the relevant resolution at the EGM

### **2. Maximum Number of BCI Shares**

- the Disposal Mandate authorises and empowers the Board to sell up to the entire holding of the Company of BCI Shares (being 24,002,698 BCI Shares)

### **3. Scope of Authority**

- the Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the disposal of the Company's holding of BCI Shares, including, without limitation, the number of batches of disposals, the number of BCI Shares to be sold in each disposal, the timing of each disposal, the manner of disposal (whether in the open market or through block trade(s)), the target purchasers and the selling price (subject to the parameters set out in paragraph 5 below)



#### 4. Manner of Disposal

- apart from disposal in the open market on ASX, the Company may also dispose of its holding of BCI Shares during the mandate period through block trade(s) by entering into placing agreement(s) with reputable investment banks as placing agents. The terms and conditions of such block trade(s) will be negotiated on an arms' length basis

#### 5. Mechanism for Setting the Selling Price

- the selling price per BCI Share that is to be sold through block trade(s) shall represent no more than a 7 per cent. discount to the average closing price of BCI Shares on ASX in the five (5) trading days immediately prior to the date of the relevant sale and purchase agreement; and
- whether the disposal is made in the open market or through block trade(s), the minimum selling price per BCI Share shall not be less than A\$3.20

The maximum 7 per cent. discount to the average closing price of BCI Shares on ASX in the five (5) trading day period represents the range of discounts to referenced closing prices which the Company may consider in the exercise of the Disposal Mandate in the context of block trade(s), having regard to market practice for block trades on ASX, the then prevailing share price performance and market sentiment. In addition, the minimum selling price of A\$3.20 per BCI Share, whether sold in the open market or pursuant to a block trade or trades, was determined by reference to the: (i) the closing price of A\$3.42 per BCI Share as quoted on ASX on 18 December 2012; (ii) average closing price of A\$2.71 per BCI Share as quoted on ASX for the past 6 months; and (iii) average closing price of A\$2.73 per BCI Share as quoted on ASX for the past 12 months. The Directors consider that the aforementioned price setting mechanisms will allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the Company's holding of BCI Shares and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

Subsequent to the exercise, in full, of the Disposal Mandate, the Company will cease to hold any BCI Shares.

It is expected that the purchasers of the Company's holding of BCI Shares and their respective ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons. In the event that any purchaser of the Company's BCI Shares is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the HK Listing Rules.



## **Resignation from the Board of BCI**

In view of the Directors' decision to seek the Disposal Mandate from Shareholders, Mr Jamie Gibson resigned as a non-executive director from the board of BCI with effect from 18 December 2012. Upon the resignation of Mr. Gibson, the Company is considered to possess no significant influence over the financial and operating activities of BCI and the Company's interests in BCI will be accounted for as financial assets at fair value through profit or loss in the Company's financial statements.

## **Use of Proceeds**

It is the intention of the Company, consistent with its stated business strategy, to use the proceeds of the Disposal Mandate, together with the existing cash and liquid cash reserves of the Group to acquire: (i) strategic, controlling and operational interests in mining companies and assets; and (ii) listed securities of resource companies, in order to enhance Shareholders' value.

The Company's stated strategy is to become Hong Kong's next major mid-tier mining house focused on bulk commodities, base metals and gold in the Asia-Pacific region. As a Hong Kong listed mining company, the Company aims to serve as a platform for growth and a cultivator of high quality, accretive mining assets across Asia-Pacific.

## **Reasons for and Financial Effects of the Disposal Mandate on the Group**

Following the Company's unsuccessful attempt to takeover BCI in the first half of 2011, it has been the Company's strategy to bolster its strategic holding and to subsequently, at an opportune time, monetise its investment in BCI, subject to prevailing share prices and market sentiment.

The Directors are of the view that now is the right time to seek the Disposal Mandate given the value that has been created now that BCI has successfully negotiated a significant transaction with FMG (further details of which are set out in the section titled "Principal Business Activities of BCI" below) that will: (i) provide the Nullagine Iron Ore Joint Venture with available capacity on FMG's rail and port infrastructure in respect of 6 Mtpa for the life of the Nullagine Iron Ore Joint Venture, from the existing 5 Mtpa; and (ii) enable BCI to increase its participating interest in the Nullagine Iron Ore Joint Venture to 75 per cent., from its current participating interest of 50 per cent., with such additional interest relating to a project now capable of producing at a rate of 6 Mtpa.



The Company's 20.10 per cent. shareholding in BCI is a result of its participation in various BCI share placements since June 2009, together with on-market acquisitions, at prices ranging from A\$1.02 to A\$3.05 per BCI Share made in the normal and ordinary course of business. The Company's average original acquisition cost per BCI Share amounts to approximately A\$1.75 (or approximately US\$1.82 or HK\$14.20).

On the assumption that the Disposal Mandate is exercised in full at the minimum selling price of A\$3.20 per BCI Share, the following is relevant:

- (a) The Company will generate a net realised gain of approximately A\$38,250,631 (or approximately US\$39,784,481 or HK\$310,318,952) before expenses and taxes and after receipt from BCI of a special dividend of approximately A\$3,600,405, calculated by deducting the total acquisition costs from the total disposal proceeds (before expenses and taxes).
- (b) The disposal will represent a "cash-on-cash" return of 1.91 times the Company's original cash investment of A\$42,158,408 (or approximately US\$43,848,960 or HK\$342,021,888) based on an average original acquisition cost of A\$1.75 (or approximately US\$1.82 or HK\$14.20) per BCI Share.
- (c) The Company expects to recognise in its income statement a gain different from that disclosed above, principally by reference to the carrying value of all the BCI Shares the subject of the Disposal as recorded in the Company's accounts. The difference between the two calculations arises and is mainly derived from: (i) an unrealised profit of approximately US\$21,550,000 (or approximately HK\$168,090,000) recognised and recorded in the previous financial years and the period ended 30 June 2012; and (ii) the relevant exchange rate ascribed by the Company at the relevant trade date for each acquisition of BCI Shares.
- (d) After taking into consideration of the factors stated in point (c) above, the Company will generate a net realised gain of approximately US\$5,333,639 (or approximately HK\$41,602,384) which is calculated by deducting (i) the carrying amount of the BCI Shares of approximately US\$61,926,385 (or approximately HK\$483,025,803) as at 30 June 2012; and (ii) the estimated related expenses and taxes of approximately US\$12,628,636 (or approximately HK\$98,503,361) for the disposal of BCI Shares by the estimated sales proceeds of US\$79,888,660 (or approximately HK\$623,131,548) (which is calculated by assuming the minimum selling price of A\$3.20 per BCI Share in respect of 24,002,698 BCI Shares). The final amount of proceeds would be subject to the prevailing market price of the BCI Shares, the exchange rate between A\$ and US\$ and the discount, if any, offered for setting the selling price at the actual date of disposal, which may be



different from that at 30 June 2012. As a result, the gain on disposal of the BCI Shares may be changed accordingly.

- (e) In respect of the Company's interest in BCI, the Company's attributable share (as determined by the number of BCI Shares comprising the Disposal Mandate) of BCI's: (i) net profit for the financial year ended 30 June 2012 from continued operations is A\$12,226,814 (or approximately US\$12,717,109 or HK\$99,193,450); and (ii) net profit for the financial year ended 30 June 2011 from continued operations is A\$185,488 (or approximately US\$192,926 or HK\$1,504,823), both before taxation and extraordinary items.
- (f) In respect of the Company's interest in BCI, the Company's attributable share (as determined by the number of BCI Shares comprising the Disposal Mandate) of BCI's: (i) net profit for the financial year ended 30 June 2012 from continued operations is A\$10,160,803 (or approximately US\$10,568,251 or HK\$82,432,358); and (ii) net profit for the financial year ended 30 June 2011 from continued operations is A\$197,890 (or approximately US\$205,825 or HK\$1,605,435), both after taxation and extraordinary items.
- (g) The net asset value of BCI is A\$131,643,810 (or approximately US\$136,922,727 or HK\$1,067,997,271) as at 30 June 2012, being the number shown in BCI's latest publicly disclosed annual report for the period ended 30 June 2012.

However, the Shareholders should note that the actual amounts of the proceeds, accounting gain and the effects on the net assets and earnings of the Group in relation to the future exercise of the Disposal Mandate would depend on the actual selling price(s) of the Company's BCI Shares to be disposed of by the Group.

The highest and lowest closing price of BCI Shares as quoted on ASX in the past 12 months was A\$3.42 (or approximately US\$3.56 or HK\$27.77) and A\$2.35 (or approximately US\$2.44 or HK\$19.03), respectively.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right time and it would not be practicable to seek prior Shareholders' approval for each disposal of BCI Shares which, when aggregated with any disposal of BCI Shares by the Company in the preceding 12 month period, may amount to a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules.

To allow flexibility in effecting a future disposal or disposals of the Company's holding in BCI at an appropriate time or times, the Company proposes to seek from Shareholders a Disposal Mandate subject to the parameters above.

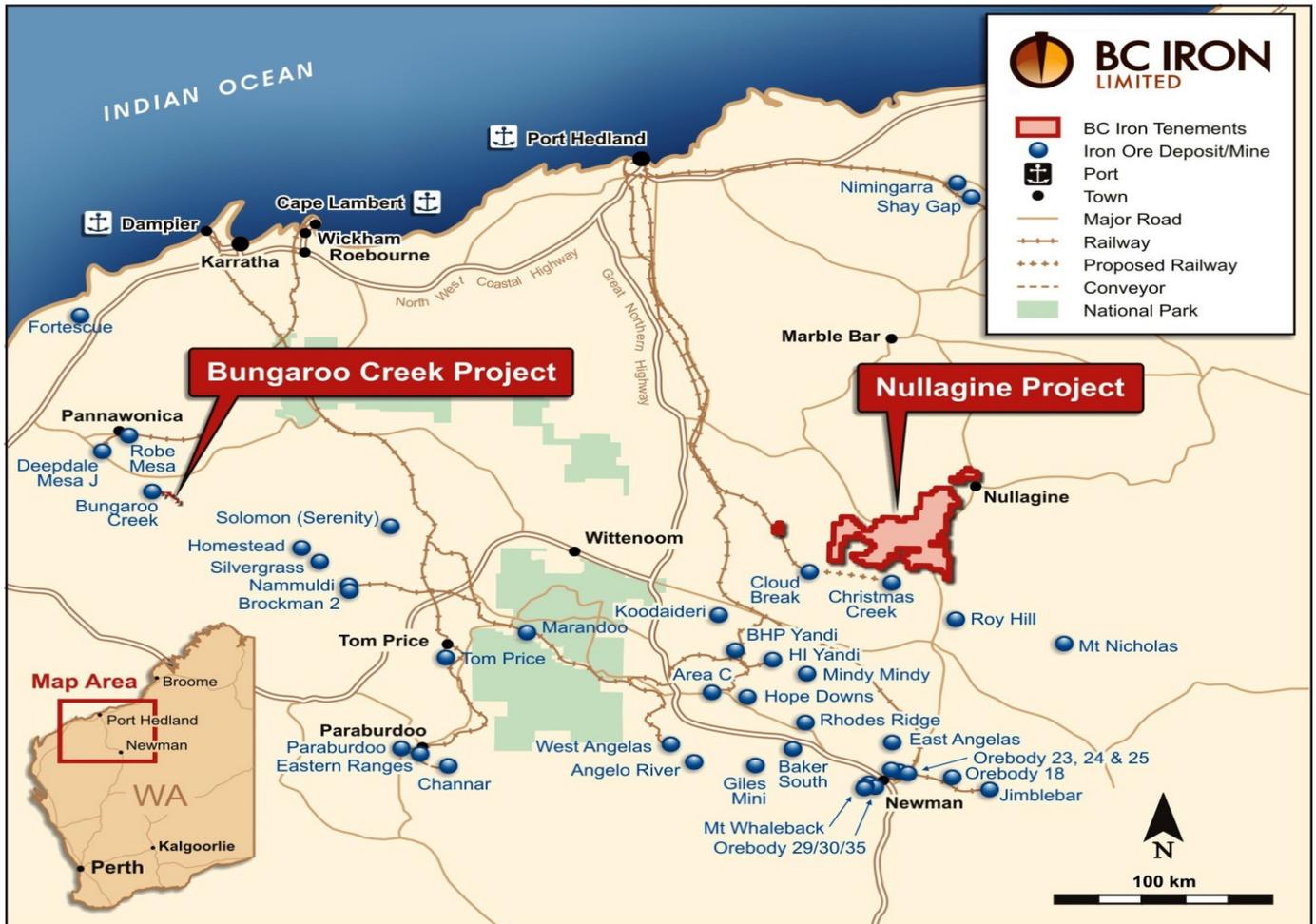


The Directors (including the independent non-executive Directors) are of the view that the Disposal Mandate represents a good opportunity to increase the liquid cash position of the Company to put the Company in a better and more flexible financial position to take advantage of any investment opportunities should they arise. The Directors (including the independent non-executive Directors) are also of the view that the Disposal Mandate will be exercised in the best interests of the Company and the Shareholders as a whole and the Disposal Mandate will provide much needed flexibility to the Directors to dispose of the Company's holding of BCI Shares in a manner consistent with maximising returns for the Group.

### **Principal Business Activities of BCI**

As previously disclosed by the Company, BCI (*ASX code: BCI*) is an iron ore producer and exporter with projects in Western Australia's world-class Pilbara region.

BCI's main project is a joint venture with Fortescue Metals Group (*ASX code: FMG*) (FMG) in respect of the Nullagine Iron Ore Joint Venture project. The Nullagine Iron Ore Joint Venture project (or "**NIOP**") is situated approximately 300km south-east from Port Hedland in Western Australia and approximately 60km north of FMG's Chichester Hub, which comprises the Cloudbreak and Christmas Creek operations. The NIOP is principally comprised of three contiguous districts, Bonnie Creek, Shaw River and Nullagine with initial mining focussed on the Bonnie Creek deposits. The figure below illustrates the location of the NIOP and BCI's (100%) early stage Bungaroo Creek Project in relation to other iron ore mineral deposits in the Pilbara Region.

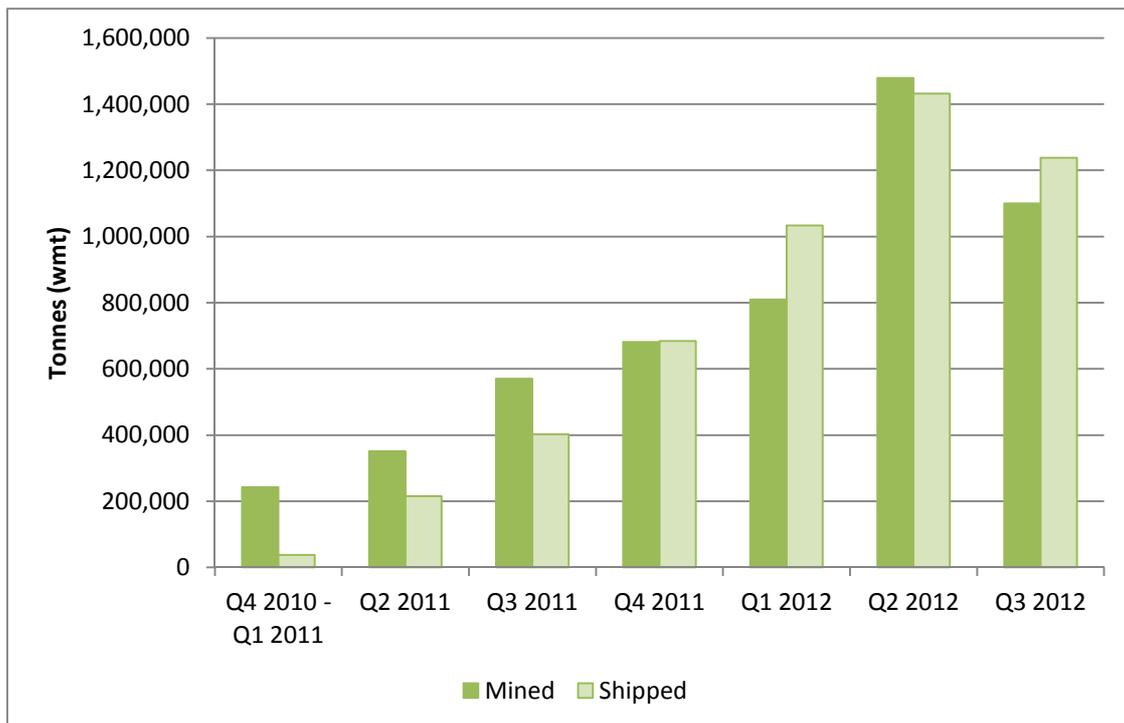


The NIOP's principal activity is the mining of iron ore for sale into the seaborne market, principally into China. Production commenced in November 2010 with 5.04 Mt of low impurity, high calcined iron sintering ore exported to 30 September 2012. The Nullagine Iron Ore Joint Venture continues to ramp up its production rates with the mining operation now running at a rate of 5 Mtpa with latent, excess capacity available in the plant and both the mining and haulage fleets. BCI has forecast that in the 12 month period to 30 June 2013, the NIOP will export 5.1 Mt of iron ore (BCI on ASX 10 December 2012). The figure below demonstrates the successful ramp up in production and export of the 57% iron ore product from NIOP between the commencement of production and 30 September 2012.

BCI announced a net profit after tax of A\$50.6m for the twelve month period to 30 June 2012 (BCI on ASX 4 September 2012). During this period the NIOP shipped 3.55 Mt of iron ore at an average CFR (cost and freight) price of US\$124 per dry metric tonne (BCI on ASX 4 September 2012). For the same period, the project had a cash cost of approximately US\$53 per WMT (wet metric tonne), excluding royalties, marketing and corporate costs (BCI on ASX 4 September 2012). The project has a forecast life of mine (LOM) cash cost of between US\$45 and US\$50 per WMT, excluding royalties, marketing and corporate costs.



The NIOP has a resource estimate of 107.1 Mt which includes 41.3 Mt of mineable ore reserves (BCI on ASX 10 December 2012). Based on the expanded 6 Mtpa production rate (BCI on ASX on 10 December 2012) and the updated ore reserve, the project currently has a residual mine life of approximately 7 years. The 107.1 Mt resource estimate offers potential reserve upside which is currently being tested with further exploration and beneficiation test work. These exploration and beneficiation test programs, have the potential to further extend the project's mine life.



On 10 December 2012 BCI announced that it had successfully reached a binding agreement with FMG in respect of the Nullagine Iron Ore Joint Venture, the completion of which was announced by BCI earlier today. Further particulars of the transaction may be seen in BCI's announcements released on ASX. The more material terms, as released, include:

- Headline cash consideration of A\$190 million, payable by BCI to FMG.
- Against payment of the headline consideration, the arrangements between BCI and FMG will be adjusted to reflect the following commercial terms:
  - o BCI's participating interest in the Nullagine Iron Ore Joint Venture will increase to 75 per cent., from its existing 50 per cent. interest.
  - o FMG will, through one of its subsidiaries, increase the contracted rail and port capacity made available to the Nullagine Iron Ore Joint Venture to 6 Mtpa, from 5 Mtpa, thereby increasing BCI's attributable production and infrastructure capacity by 80 per cent. to 4.5 Mtpa, from 2.5 Mtpa.
  - o BCI will, as part of the headline consideration, make a one off prepayment of rail haulage and port charges to FMG in respect of 3.5 million wet tonnes of iron ore.



- FMG will be provided with a price participation arrangement from 1 April 2013 to 30 September 2014, such that in the event that the “Platts Price” averages more than US\$120 per dry metric tonne (“dmt”) in a particular month, BCI must pay FMG 50 per cent of the difference between the actual average Platts Price and US\$120 per dmt, multiplied by BCI’s increased average monthly production based on 6 Mtpa (i.e. 158,300 dmt per month).
- The existing Nullagine Iron Ore Joint Venture offtake arrangement with Henghou will remain unchanged for both BCI and FMG.
- In the event of a potential change of control transaction in respect of BCI or its project subsidiary, FMG will be given four (4) business days to match any bid, subject to compliance with relevant laws and fiduciary duties.
- Completion took place on 18 December 2012, with the revised arrangements becoming effective as of 1 January 2013.

BCI funded the above referenced transaction with FMG in respect of A\$190 million, together with associated transaction costs from a combination of: (i) internal cash; (ii) up to A\$57 million from an equity raise (of which A\$47 million has been raised through an institutional placement and the balance is to be raised through a capped A\$10 million share purchase plan); and (iii) US\$130 million, from a senior secured 5 year term facility with ANZ and Commonwealth Bank of Australia.

Additional background information on BCI and the recently announced transaction with FMG can be found on BCI’s web site [www.bciron.com.au](http://www.bciron.com.au).

### **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, primarily, on the Asian region. Its principal assets and investments are located in Yunnan Province, China as well as the Pilbara region of Western Australia where the Company has strategic interests in BC Iron Limited (20.10%, the subject of the Disposal Mandate) and Venturex Resources Limited (31.87%). The Company also has passive interests in a number of other mining companies.



## Indicative Timetable

18 December 2012	Announcement of intended Disposal Mandate
Before 31 December 2012	Despatch of the Circular setting out further details of the Disposal Mandate
Mid to late January 2013	EGM

This timetable is indicative only and is subject to change due to various factors, including regulatory approvals. The Company will notify Shareholders of any material change to the expected timetable if and when appropriate.

## Very Substantial Disposal

In view of the fact that the aggregate amount of cash consideration to be received by the Company in respect of the exercise, in full, of the Disposal Mandate (even assuming a disposal price equivalent to the minimum selling price of A\$3.20 per BCI Share) of up to 24,002,698 BCI Shares (being A\$76,808,634 or approximately US\$79,888,660 or HK\$623,131,548) exceeds 75 per cent. of the Company's market capitalisation, the exercise of the Disposal Mandate will constitute a very substantial disposal of the Company and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the HK Listing Rules.

The Disposal Mandate is conditional upon, *inter alia*, the passing of an ordinary resolution by the Shareholders approving such transaction pursuant to the HK Listing Rules at the EGM.

In the event that any purchaser of the Company's BCI Shares is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the HK Listing Rules.

Further announcement(s) on the disposal of the Company's holding of BCI Shares will be made if such disposal (or disposals aggregated since the date of (a) approval of the Disposal Mandate; or (b) an announcement relating to previous disposal(s) made pursuant to the Disposal Mandate, whichever is later) will constitute a discloseable transaction under the HK Listing Rules. The Company will also make an announcement as soon as possible after expiry of the Disposal Mandate.



To the best of the knowledge and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal Mandate or the exercise thereof. Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

The purpose of this announcement is to provide the Shareholders with information on the details of the Disposal Mandate in accordance with the HK Listing Rules.

## General

The Circular containing, among other things, further details of the Disposal Mandate and the information required by Rules 14.68 and 14.70 of the HK Listing Rules (to the extent applicable), together with the notice of EGM for approving the Disposal Mandate and the exercise thereof, will be despatched to the Shareholders as soon as practicable.

The Company is not currently engaged in any discussion with any party to dispose of its holding in BCI and neither does the Company have any current intention to dispose of its BCI Shares within any particular timeframe. There is no assurance that the Company will proceed with the future disposal of its holding in BCI within a particular timeframe after obtaining the Disposal Mandate. Whether and when the Company will embark on such future disposal or disposals will depend on a number of factors, including the prevailing market prices and conditions at the relevant time or times.

**As exercise of the Disposal Mandate is subject to a number of factors, including approval from Shareholders, the future disposal of BCI Shares may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

## 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> ”	ASX Limited (ACN 008 624 691)
“ <b>A\$</b> ”	Australian dollars, the lawful currency in Australia
“ <b>BCI</b> ”	BC Iron Limited (ACN 120 646 924), a limited liability company incorporated in Australia, whose securities are listed on the ASX



<b>“BCI Share(s)”</b>	the fully paid ordinary shares in the capital of BCI
<b>“Board”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day which is not a Saturday, Sunday or a public holiday in Hong Kong
<b>“China”</b>	Peoples’ Republic of China
<b>“Circular”</b>	the Shareholders’ circular to be issued by the Company in relation to the Disposal Mandate pursuant to the HK Listing Rules
<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>“Director(s)”</b>	the directors of the Company
<b>“Disposal Mandate”</b>	the specific mandate to be granted by the Shareholders to the Directors to effect disposal(s) from time to time of such number of BCI Shares (subject to a maximum of 24,002,698 BCI Shares currently held by the Company) which, when aggregated with any disposal of BCI Shares by the Company in the preceding 12 month period, may amount to a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules
<b>“EGM”</b>	an extraordinary general meeting of the Company to be held to consider and approve the Disposal Mandate and the exercise thereof, the details of which will be set out in the Circular



<b>“FMG”</b>	Fortescue Metals Group Limited (ABN 57 002 594 872), a limited liability company incorporated in Australia, whose securities are listed on the ASX
<b>“FMG Pilbara”</b>	FMG Pilbara Pty Ltd (ABN 29 106 943 828), a wholly owned subsidiary of FMG
<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>“Mt”</b>	million tonnes
<b>“Mtpa”</b>	million tonnes per annum
<b>“Nullagine Iron Ore Joint Venture” or “NIOP”</b>	the Nullagine iron ore joint venture project between BCI, acting through BC Iron Nullagine Pty Ltd (a wholly owned subsidiary of BCI), and FMG, acting through FMG Pilbara
<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>“US\$”</b>	United States dollars, the lawful currency in the United States



Note: Unless otherwise specified herein, (i) amounts dominated in A\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of A\$1.00 = US\$1.0401; and (ii) amounts dominated 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*)  
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, 18 December 2012