



# Regent Pacific Group Limited

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

Stock Code: 0575

17 February 2016

## ANNOUNCEMENT

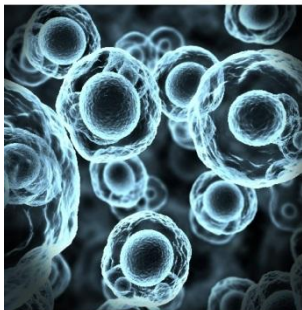
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### **DISCLOSEABLE TRANSACTION: DISPOSAL OF SHARES IN ENDEAVOUR MINING CORPORATION**

#### **SUMMARY**

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

The Company announces that during the period from 14 January to 16 February 2016, it disposed of 449,179 Endeavour Shares by a series of on-market transactions, at the average price of approximately C\$8.69 (or approximately US\$6.27 or HK\$48.91) per Endeavour Share, representing approximately 0.76 per cent of the existing issued share capital of Endeavour, for an aggregate cash consideration of approximately C\$3.90 million (or approximately US\$2.82 million or HK\$22.00 million).





The Endeavour Disposal has provided the Group with total gross proceeds (before expenses and taxes) of approximately C\$3.90 million (or approximately US\$2.82 million or HK\$22.00 million) and a net realised gain of approximately of C\$0.47 million (or approximately US\$0.34 million or HK\$2.65 million) which will be recognised in the Company's result for the six months ended 30 June 2016. However, taken as a whole, the Endeavour Disposal has generated a total net realised loss before expenses of approximately C\$7.24 million (or approximately US\$5.23 million or HK\$40.79 million), calculated by deducting the acquisition costs from the total proceeds of the disposal (before expenses) of 449,179 Endeavour Shares.

Following the Endeavour Disposal, the Company ceased to have any interests in Endeavour.

The Endeavour Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

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

### **Disposal of shares in Endeavour**

The Company announces that during the period from 14 January to 16 February 2016, it disposed of 449,179 Endeavour Shares by a series of on-market transactions, at the average price of approximately C\$8.69 (or approximately US\$6.27 or HK\$48.91) per Endeavour Share, representing approximately 0.76 per cent of the existing issued share capital of Endeavour, for an aggregate cash consideration of approximately of C\$3.90 million (or approximately US\$2.82 million or HK\$22.00 million).

Prior to the Endeavour Disposal, the Company held 449,179 Endeavour Shares, representing approximately 0.76 per cent of the existing issued share capital of Endeavour, comprising: (i) 4,112,197 Endeavour Shares held at 18 October 2012, following the completion of the acquisition of Avion Gold Corporation (formerly TSX: AVR and OTCQX: AVGCF, in which the Company held shares) by Endeavour in an all share transaction, which were acquired for an aggregate amount of cash consideration of approximately C\$10.28 million (or approximately US\$7.42 million or HK\$57.88 million) (details of the holding having been announced by the Company on 16 October 2012); and (ii) an aggregate of 379,600 Endeavour Shares acquired during the period from 19 October 2012 to 16 November 2012 by a series of on-market transactions for an aggregate amount of cash consideration of approximately C\$0.86 million (or approximately US\$0.62 million or HK\$4.84 million), which, together, were reduced to 449,179 Endeavour Shares after completion of a one-for-ten share consolidation on 1 December 2015.



In respect of all acquisitions of Endeavour Shares to date, the average price paid by the Company was approximately C\$24.80 (or approximately US\$17.90 or HK\$139.62) per Endeavour Share (after completion of a one-for-ten share consolidation), for an aggregate cash consideration of approximately C\$11.14 million (or approximately US\$8.04 million or HK\$62.71 million).

The Endeavour Disposal has provided the Company with total gross proceeds (before expenses) of approximately C\$3.90 million (or approximately US\$2.82 million or HK\$22.00 million) and a net realised gain of approximately of C\$0.47 million (or approximately US\$0.34 million or HK\$2.65 million) which will be recognised in the Company's result for the six months ended 30 June 2016. However, taken as a whole, the Endeavour Disposal has generated a total net realised loss before expenses of approximately C\$7.24 million (or approximately US\$5.23 million or HK\$40.79 million), calculated by deducting the acquisition costs from the total proceeds of the disposal (before expenses) of 449,179 Endeavour Shares.

The Company expects to recognise in its income statement a result different from that disclosed above, principally by reference to the carrying value of 449,179 Endeavour Shares, the subject of the Endeavour Disposal, as recorded in the Company's accounts. The difference between the two calculations arises and is derived from the relevant exchange rate ascribed by the Company at the relevant trade date for each acquisition of Endeavour Shares.

Following the Endeavour Disposal, the Company ceased to have any interests in Endeavour.

The Endeavour Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

### **Basis of consideration**

The consideration for the Endeavour Disposal was determined on the basis of normal commercial terms and arm's length transactions by on-market trades.

The Directors consider the Endeavour Disposal 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 Endeavour Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the Company's interest in Endeavour, the Company's attributable share (being 0.76 per cent disposed of) of Endeavour's: (i) net loss before taxes for the financial year ended 31 December 2014 from continued operations was approximately US\$2.86 million (or approximately HK\$22.31 million); and (ii) net loss before taxes for the financial year ended 31



December 2013 from continued operations was approximately US\$3.71 million (or approximately HK\$28.94 million).

In respect of the Company's interest in Endeavour, the Company's attributable share (being 0.76 per cent disposed of) of Endeavour's: (i) net loss after taxes for the financial year ended 31 December 2014 from continued operations was approximately US\$2.49 million (or approximately HK\$19.42 million); and (ii) net loss after taxes for the financial year ended 31 December 2013 from continued operations was approximately US\$2.83 million (or approximately HK\$22.07 million).

The net asset value of Endeavour was approximately US\$501.74 million (or approximately HK\$3,913.57 million) as 30 September 2015, as reported in Endeavour's latest publicly disclosed quarterly financial statements for the period ended 30 September 2015.

### **Background on Endeavour**

Endeavour is an intermediate gold producer delivering production growth. Endeavour owns four gold mines producing 500,000 ounces per year in Mali, Ghana, Burkina Faso, and Côte d'Ivoire. Endeavour produced 518,000 ounces of gold for its financial year ended 31 December 2015, which comfortably surpassed the high end of its 2015 production guidance of 475 - 500 koz. Endeavour has provided very strong financial year ended 2016 consolidated operating guidance of 575 - 600 koz with "all in sustaining cost" of US\$875-US\$925/oz.

In addition, the Houndé Project in Burkina Faso is fully permitted and has a 2.1 million ounce reserve and the potential to produce 190,000 ounces per year over 10 years.

Endeavour is listed on the Toronto Stock Exchange (TSX: EDV) and Australian Securities Exchange (ASX: EVR), and also trades on the OTCQX (OTCQX: EDVMF).

Further information on Endeavour can also be found on its website [www.endeavourmining.com](http://www.endeavourmining.com).

### **Use of proceeds**

The proceeds from the Endeavour Disposal will be used for general working capital purposes, including the discharge of costs and expenses associated with the intended acquisition of Plethora Solutions Holdings plc ("**Plethora**"), the details of which have previously been disclosed by way of a very substantial and connected acquisition announcement made on the HK Stock Exchange on 15 December 2015, together with the associated circular dated 4 February 2016, and for assisting Plethora with the commercialization of PSD502<sup>TM</sup> following completion of the acquisition.



## Reasons for the Endeavour Disposal

The Company is a diversified investment group currently holding various corporate and strategic investments across the healthcare and life sciences sectors, which has become its core focus, as well as legacy investments in the natural resources sector. As previously disclosed, it is the Company's intention, where possible and practicable, to sell its remaining non-healthcare and life sciences assets in the near future and focus all its attentions on its new healthcare and life sciences strategy.

The Company's legacy position in Endeavour falls outside its core focus, being the healthcare and life sciences sectors, and, as such, the Endeavour Disposal is entirely consistent with its new healthcare and life sciences strategy. Moreover, the Directors are of the view that the Endeavour Disposal represents an ideal opportunity for the Company to monetise its shareholding in Endeavour.

The Directors consider the Endeavour Disposal 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 Endeavour Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Discloseable transaction

In view of the facts that: (i) the total assets which are the subject of the Endeavour Disposal exceeds 5 per cent but is less than 25 per cent of the Company's total assets; and (ii) the aggregate amount of cash proceeds received from the disposal of 449,179 Endeavour Shares (being approximately C\$3.9 million or US\$2.82 million or HK\$22.00 million) exceeds 5 per cent but is less than 25 per cent of the Company's total market capitalisation, the Endeavour Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

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

## Not a connected transaction

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Endeavour, the brokers through which the Endeavour Disposal was conducted, the counterparties to the on-market disposals of Endeavour Shares and their respective beneficial owner(s) and associate(s) is a third party independent from the Company and is not a connected person of the Group.



## 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 whose strategy is as stated above under the heading “Reasons for the Endeavour Disposal”.

## 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> ”	the Australian Securities Exchange
“ <b>Board</b> ”	the board of directors of the Company
“ <b>C\$</b> ”	Canadian dollars, the lawful currency of Canada
“ <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
“ <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>Endeavour</b> ”	Endeavour Mining Corporation, a Canadian-based public company, whose shares are dually listed on TSX (TSX: EDV) and ASX (ASX: EVR) and are also traded on the OTCQX (OTCQX: EDVMF)
“ <b>Endeavour Disposal</b> ”	the disposal of 449,179 Endeavour Shares by a series of on-market transactions during the period from 14 January to 16 February 2016 for an aggregate cash consideration of approximately C\$3.90 million (or approximately US\$2.82 million or HK\$22.00 million)



“ <b>Endeavour Share(s)</b> ”	the listed common shares of C\$0.01 each in the capital of Endeavour
“ <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>OTCQX</b> ”	the Over the Counter Qualified Exchange of the United States
“ <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 Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“ <b>TSX</b> ”	the Toronto Stock Exchange
“ <b>US\$</b> ”	United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, (i) amounts denominated in C\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of C\$1.00 = US\$0.7218; 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*)

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, 17 February 2016