



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

3 December 2007

ANNOUNCEMENT

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ANNOUNCEMENT

JI RI GA LANG RECEIVES APPROVAL TO FORM SINO-FOREIGN JOINT VENTURE COMPANY

Financial Adviser to the Company

Morgan Stanley





Highlights

- **CCEC will acquire 51% of the Ji Ri Ga Lang Project (a Sino-foreign equity joint venture company), expected in December 2007.**
- **CCEC to acquire remaining 49% when the mining licence is granted for the Ji Ri Ga Lang Project, expected in Q2 2008.**
- **Coal production from the Ji Ri Ga Lang Open Pit Coal Mine is expected in Q4 2008 with an expected annual production of 3 million tonnes coal from 2009, subject to market development, with options to expand production thereafter.**

(Hong Kong, 3 December, 2007) – The Company is pleased to announce that the application to convert Abagaqi Changjiang Mining Company Limited (ACMC) into a Sino-foreign equity joint venture company (EJV) for the Ji Ri Ga Lang Project has been approved. We understand that this is the first EJV in Inner Mongolia, China focussed on the exploration, mining and production of a thermal coal resource.

The Acquisition

Further to the Company's announcement dated 26 November 2007, the conversion of ACMC into an EJV has been approved and the business licence for the EJV was issued on 28 November 2007. On completion of certain registration procedures with the local and state tax bureau and the foreign exchange administration bureau, 51% of the project will be acquired for approximately RMB80 million (approximately US\$11 million) (including CCEC's guarantee on the first instalment of the accounts payable of approximately RMB21.7 million) in December 2007.

The EJV will convert to a Wholly Foreign-owned Enterprise on conversion of the current exploration licence to a mining licence, which is expected in Q2 2008. The work programme, including reserves evaluation, development plans, environmental reports, feasibility study, among others that are necessary to convert the exploration licence to a mining licence have commenced. CCEC expects that this programme will complete in Q2 2008. CCEC will acquire 100% of the project for a total cash consideration of RMB180 million (US\$24 million) (including CCEC's guarantee on the accounts payable of approximately RMB42.6 million).

The Ji Ri Ga Lang Project

The Ji Ri Ga Lang Project is located in Abagaqi, Inner Mongolia, China. A recent 6,900m infill drilling programme confirmed previous estimates of 99Mt of coal resources and the shallow nature of the deposit. With an estimated life of mine strip ratio of less than 2:1, it is planned that coal production can commence in late 2008 from an open-pit mining operation, in which the CCEC management team has significant expertise in developing and operating. ACMC's initial targets are to produce 3Mt coal per



annum, providing a life of mine over 33 years. Regular reviews will be conducted to assess options to expand production at the Ji Ri Ga Lang Coal Mine beyond 3Mt per annum.

Comments

Stephen Bywater, CCEC Deputy Chairman Commented:

“We are extremely pleased that the application to establish the Sino-Foreign Equity Joint Venture has been approved. This marks a significant step for CCEC in becoming a China-coal producer as we look to develop projects with near term production potential and generate revenue. The support, cooperation and assistance from all levels of government have been tremendous. The development of the Ji Ri Ga Lang Project represents a significant opportunity for CCEC to strengthen its portfolio of assets and unlock considerable value for our stakeholders.”

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

James Mellon (*Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

David Comba[#]

Julie Oates[#]

Patrick Reid[#]

Mark Searle[#]

John Stalker*

Jayne Sutcliffe*

Dr Youzhi Wei*

Anderson Whamond*

* *Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 3 December 2007