



# Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

17 December 2007



## ANNOUNCEMENT

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## PLACING OF NEW SHARES AND RESUMPTION OF TRADING

### Joint Placing Agents



BOC INTERNATIONAL



BMO Capital Markets



### SUMMARY

On 17 December 2007, the Company entered into the Placing Agreement with the Placing Agents, BOCI and BMO, pursuant to which BOCI and BMO have agreed to place 395,641,500 Placing Shares and 314,358,500 Placing Shares respectively (i.e. 710,000,000 Placing Shares in aggregate) to not less than 6 placees at the Placing Price of HK\$1.10 per Placing Share on a fully underwritten basis.

To the best of the Directors' knowledge, information and belief having after making all reasonable enquiry, each of the Placing Agents is a third party independent of the Company and connected persons of the Company and its subsidiaries.



The estimated net proceeds of the Placing (after deducting the fees and commissions paid to the Placing Agents) amount to approximately US\$95 million. The Company intends to first apply the unused proceeds of (i) CCEC's July Placing and CCEC's Post-Signing Placing of approximately US\$10 million (approximately HK\$78 million) and (ii) the September Placing of approximately US\$39 million (approximately HK\$304 million) and (ii) and the estimated net proceeds of the Placing of approximately US\$95 million (approximately HK\$741 million) to the total acquisition cost of each of the: (i) Ji Ri Ga Lang Project; (ii) Possible Project 3 Further Acquisition; and (iii) acquisition of Yuke Coal and the Zhun Dong Project (being a combined total of US\$129,593,000), the expenses in connection with the exercise of the Specific Mandate and the preparation of the Transaction documents, including the fees payable to the Company's advisers in connection with the preparation of the Transaction documents, with any remaining net surplus to be applied to help discharge the capital expenditure requirements of the Ji Ri Ga Lang Project (estimated to be US\$28,500,000).

The Company acknowledges that there is a shortfall between the aggregate net unused proceeds of CCEC's July Placing, CCEC's Post-Signing Placing, the September Placing and the Placing when viewed against the Estimated Capital Requirements. Subject to the market conditions in January and early February of 2008, the Company, together with its advisers, will consider other future fund raising activities appropriate to meet such funding shortfall, including a further exercise of the Specific Mandate and/or debt fund raising activities. In the event that the Company cannot raise further capital to meet any commitment, whether for acquiring any of the acquisitions and/or meeting any capital expenditure requirements, the Company may elect not to proceed with acquisitions of any of the Projects.

If any of the acquisitions of the Ji Ri Ga Lang Project, the Possible 3 Further Acquisition and the Zhun Dong Project does not complete, the net proceeds of the Placing will be used first to discharge the acquisition costs and capital expenditure requirements of those transactions that do complete and thereafter any surplus shall be used for general working capital of the Group and future potential acquisitive activities of the Group identified by the Directors.

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was suspended from 9:30 a.m. on 12 December 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9.30 a.m. on 18 December 2007.

## PLACING AGREEMENT

On 17 December 2007, the Company entered into the Placing Agreement with the Placing Agents, BOCI and BMO, pursuant to which BOCI and BMO have agreed to place 395,641,500 Placing Shares and 314,358,500 Placing Shares respectively (i.e. 710,000,000 Placing Shares in aggregate) to not less than 6 places at the Placing Price of HK\$1.10 per Placing Share on a fully underwritten basis.

To the best of the Directors' knowledge, information and belief having after making all reasonable enquiry, each of the Placing Agents is a third party independent of the Company and connected persons of the Company and its subsidiaries.



## The Placing Shares

Pursuant to the Placing Agreement, the Placing Agents agreed to place the Placing Shares to independent placees at the price of HK\$1.10 per Placing Share. The number of placees is not less than six. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the placees and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Taking into account the par value of US\$0.01 per Share, the aggregate nominal value of the Placing Shares is US\$7,100,000. The Placing Shares represent approximately 19.84% of the Company's issued share capital as at the date of this announcement, and approximately 16.56% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

## The Placing Price

The Placing Price is HK\$1.10 per Placing Share (exclusive of commission paid to the Placing Agents and brokerage) and represents:

- (i) the closing price of HK\$1.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.68% to the average closing price of approximately HK\$1.154 per Share as quoted on the Stock Exchange from 5 December 2007 to the Last Trading Day, being the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 4.84% to the average closing price of approximately HK\$1.156 per Share as quoted on the Stock Exchange from 28 November 2007 to the Last Trading Day, being the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agents with reference to the prevailing market price of the Shares. The Net Placing Price, being the Placing Price less the estimated related expenses (including commission paid to the Placing Agents), is HK\$1.04 per Placing Share. The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

## Ranking of the Placing Shares

The Placing Shares, when fully paid, allotted and issued, will be free from all claims, charges, liens, encumbrances and equities whatsoever and will rank *pari passu* with any existing Shares in issue save for any right or entitlement to dividends or other rights or distributions, the record date for which precedes the date on which such Placing Shares are allotted and issued. There is no restriction on subsequent sale of the Placing Shares upon completion of the Placing.

## Specific Mandate

The Placing Shares will be issued under the Specific Mandate to allot, issue and deal with Shares granted to the Directors by the resolution of the Shareholders passed at the EGM subject to the limit of up to 4,000,000,000 Shares. As at the date of this announcement, none of the Shares has been issued and there are 4,000,000,000 Shares available to be allotted and issued under the Specific Mandate. Assuming the Placing Shares are fully placed by the Placing Agents, there will be 3,290,000,000 Shares available for allotment and issue under the Specific Mandate upon completion of the Placing. The Specific Mandate will lapse on 11 February 2008 (being the first business day falling two months from the date on which the EGM was held).



## Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment of, among others, the following:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all the Placing Shares on or before 28 December 2007 (or such later date as the Company and the Placing Agents may agree) (and such listing and permission not subsequently being revoked);
- (b) receipt by the Placing Agents of:
  - (i) an executed lock-up undertaking from James Mellon in respect of the Shares that he holds (whether directly or indirectly) as at the date of the execution of the Placing Agreement (the “**JM Shares**”), restricting any disposal of the JM Shares for a period of 6 months from (and including) the date of the execution of the Placing Agreement (the “**Restricted Period**”), save that in the last five months of the Restricted Period, James Mellon may sell up to one-third of the JM Shares at a price per Share not less than HK\$1.46 (being a 33 per cent. premium to the Placing Price) (“**JM Undertaking**”);
  - (ii) a legal opinion from the Company’s Cayman Islands legal counsel regarding the Company’s capacity to enter into and perform its obligations under the Placing Agreement;
  - (iii) a “no registration” legal opinion from the Company’s United States legal counsel regarding the registration requirements under the law of the United States in the context of the Placing;
  - (iv) a “no prospectus” legal opinion from the Company’s Canadian legal counsel regarding the prospectus requirements under the law of Canada in the context of the Placing;
  - (v) certified copies of the board minutes of the Company approving the Placing and the entry by the Company into the Placing Agreement; and
  - (vi) certified copies of the Shareholders’ resolutions approving the Specific Mandate, each of items (i) to (v) in a form satisfactory to the Placing Agents; and
- (c) there not having been:
  - (i) suspension or any material limitation on, or by, the Hong Kong Stock Exchange, the OTC market (Freiverkehr) of the Frankfurt Stock Exchange or the Shanghai Stock Exchange of trading generally;
  - (ii) suspension on the trading of Shares (other than in connection with (1) the Stock Exchange’s clearance of this announcement or (2) the Transaction, unless such suspension is materially adverse to the Placing) on the Stock Exchange or the OTC market (Freiverkehr) of the Frankfurt Stock Exchange;
  - (iii) any material disruption in securities settlement, payment or clearance services in Hong Kong, Germany or the United States;
  - (iv) any moratorium on commercial banking activities declared by Hong Kong or German authorities;
  - (v) any adverse change or any development which makes it impracticable or inadvisable or inexpedient to proceed with the Placing, or likely to have a material adverse effect on the success of the Placing or the condition (financial or otherwise) of the Group;



- (vi) the state of the financial markets being such that, in the reasonable opinion of the Placing Agents, the Placing Shares cannot be profitably marketed; or
- (vii) the occurrence of any event or the existence of any circumstance which would render any of the warranties contained in the Placing Agreement untrue or inaccurate.

### **Completion of the Placing**

Completion of the Placing shall take place on 28 December 2007 or such other date as the Company and the Placing Agents may agree in writing.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **Lock-up**

Pursuant to the Placing Agreement, the Company has agreed that it will not, before the expiry of the earlier of (i) 180 days from the date of the execution of the Placing Agreement and (ii) the date of the termination of the Placing Agreement, without the prior written consent of the Placing Agents, allot or issue or offer to allot or issue (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares (except for the Placing Shares, the new shares issued pursuant to the Transaction and the Company's employee share option or incentive schemes), or agree (conditionally or unconditionally) or announce any intention to enter into or effect any such transaction described above, without first having obtained the written consent of the Placing Agents.

James Mellon, a Director, the Chairman of the Company and a member of the Concert Party Group, currently directly or indirectly owns 414,037,311 Shares as at the date of the execution of the Placing Agreement. Pursuant to JM Undertaking, there is a lock-up arrangement restricting any disposal of the JM Shares for the Restricted Period, save that in the last five months of the Restricted Period, James Mellon may sell up to one-third of the JM Shares at a price not less than HK\$1.46 (being a 33 per cent. premium to the Placing Price).

**SHAREHOLDING STRUCTURE**

Set out below is the shareholding structure of the Company (i) as at the date of the execution of the Placing Agreement; and (ii) immediately after the allotment and issue of the Placing Shares.

	As at the date of the execution of the Placing Agreement		Immediately after the allotment and issue of the Placing Shares		Immediately after the allotment and issue of the Placing Shares and assuming all convertibles were converted into Shares <sup>1</sup>	
	Number of shares	Approximate % (Rounded figures)	Number of shares	Approximate % (Rounded figures)	Number of shares	Approximate % (Rounded figures)
The Concert Party Group	473,489,090	13.23%	473,489,090	11.04%	573,902,883	11.63%
Other Directors	9,863,582	0.28%	9,863,582	0.23%	138,187,720	2.80%
Other connected persons <sup>2</sup>	570,627,177	15.95%	570,627,177	13.31%	570,627,177	11.56%
<i>Public</i>						
Placees of the Placing <sup>3</sup>	--	0.00%	710,000,000	16.56%	710,000,000	14.39%
Other public shareholders	2,524,595,263	70.55%	2,524,595,263	58.87%	2,942,892,806	59.63%
Sub-total for public shareholders	2,524,595,263	70.55%	3,234,595,263	75.42%	3,634,892,806	73.65%
Total <sup>4</sup>	3,578,575,112	100.00%	4,288,575,112	100.00%	4,935,610,586	100.00%

**Notes:**

1. As at the date of this announcement, the Convertible Bonds, the Redeemable Convertible Preference Shares and the Options confer on the holders a right to convert the respective convertibles into a maximum of 268,496,307 Shares, 147,931,035 Shares and 230,608,132 Shares, respectively.



2. *Closing of the acquisition of CCEC has taken place on 14 December 2007 (please refer to the CCEC Closing Announcement for details), and consequently CCEC is a subsidiary of the Company as at the date of this announcement. Under Rule 14A.11 of the Listing Rules, the directors of CCEC in the 12 months preceding the date of this announcement are connected persons of the Company. Shareholdings in the Company interested by Stephen Dattels, Steven Bywater, Rick Lu (being current directors of CCEC) and Adrian Lungan (being an ex-director of CCEC within 12 months preceding the date of this announcement) are therefore excluded from the public float calculation.*
3. *None of the Placing Agents and the placees will become a substantial shareholder of the Company upon completion of the Placing.*
4. *The above shareholding figures are inclusive of 1,156,968,141 Consideration Shares, 293,328,570 Additional Consideration Shares and 75,000,000 Finder's Fee Shares issued by the Company on 14 December 2007 pursuant to the closing of the acquisition of CCEC. Please refer to the CCEC Closing Announcement for details.*

## **REASONS FOR THE PLACING**

The Directors (including the independent non-executive Directors) believe that the terms of the Placing, including the Placing Price, which has been negotiated on an arm's length basis, are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Company has executed the Placing Agreement to raise further funds to finance the acquisition and development of the Projects.

As disclosed in the VSA Circular, the Company originally anticipated (based on the prevailing market conditions as at the Latest Practicable Date) that net proceeds of approximately US\$250 million will be the minimum net proceeds to be raised pursuant to the exercise of the Specific Mandate. However, after taking into account the market volatility since the Latest Practicable Date and the advice from the Placing Agents, the Directors, at this time, have decided to exercise part of the Specific Mandate only. The estimated net proceeds from the Placing will amount to approximately US\$95 million. Since the Company only issued 710,000,000 Shares in the Placing pursuant to the partial exercise of the Specific Mandate (approximately 18 per cent. of the maximum number of Shares available to be allotted and issued under the Specific Mandate), should the capital market conditions improve, the Company may further exercise the Specific Mandate to raise further funds to finance the acquisition and development of the Projects. The Specific Mandate will lapse on 11 February 2008 (being the first business day falling two months from the date on which the EGM was held).

**Shareholders and investors should be aware that the further issue of new Shares pursuant to the Specific Mandate is subject to the satisfaction of a number of terms and conditions which are set out above and is also subject to the absolute discretion of the Directors whether the Specific Mandate is further exercised. There is no assurance that any of the conditions will be fulfilled or the Directors shall decide to further exercise the Specific Mandate. Shareholders and investors should therefore exercise caution when dealing in the Shares.**



As disclosed in the VSA Circular, the estimated capital required for the acquisition of ACMC (i.e. the Ji Ri Ga Lang Project), the Possible Project 3 Further Acquisition and the acquisition of Yuke Coal (and the Zhun Dong Project) and related capital expenditure for these projects is approximately US\$290.1 million (approximately RMB2.18 billion) (the “**Estimated Capital Requirements**”) (further details of which are set out below for reference and illustration only):

	<b>Acquisition of Yuke Coal and the Zhun Dong Project</b>	<b>The Possible Project 3 Further Acquisition</b>	<b>The Ji Ri Ga Lang Project</b>	<b>Total</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Acquisition costs	23,733 <sup>1</sup>	81,860 <sup>2</sup>	24,000 <sup>3</sup>	129,593
Capex (estimates)	124,000 <sup>4</sup>		28,500 <sup>4</sup>	152,500 <sup>4</sup>
Working Capital (estimates)	5,000		3,000	8,000
<b>Total</b>	<b>152,733</b>	<b>81,860</b>	<b>55,500</b>	<b>290,093</b>

*Notes:*

- 1 *Being the option exercise of RMB20 million under the Yuke Coal Option Agreement and the Transfer Price of RMB158 million for the Shandong Exploration Licences under the Yuke Coal Acquisition Agreement.*
- 2 *Being a maximum consideration of US\$76.86 million and the fee of US\$5 million payable to CCAC upon successful completion of the acquisition.*
- 3 *Being the total consideration of approximately RMB180 million for the Ji Ri Ga Lang Project, including CCEC’s payment of approximately RMB137.4 million and CCEC’s guarantee of ACMC’s payment of the Account Payable of approximately RMB42.6 million.*
- 4 *The Company understands from CCEC that it prepared its own estimates of the capital expenditure and working capital requirements for the Ji Ri Ga Lang Project and the Zhun Dong Project. The Company further understands that such estimates were based on a number of assumptions, including an assumed estimate of the mining cost (overburden removal and coal mining) and anticipated annual production/sales in respect of such Projects over an estimated life of each mine. Based on these assumptions, CCEC computed the estimated capital expenditure for the exploration and development and equipment purchase (where required), together with the sustaining capital and working capital, of each mine for such Projects.*

The estimated net proceeds of the Placing (after deducting the fees and commissions paid to the Placing Agents) amount to approximately US\$95 million. The Company intends to first apply the unused proceeds of (i) CCEC’s July Placing and CCEC’s Post-Signing Placing of approximately US\$10 million (approximately HK\$78 million) and (ii) the September Placing of approximately US\$39 million (approximately HK\$304 million) (please refer to the below paragraph for details) and the estimated net proceeds of the Placing of approximately US\$95 million (approximately HK\$741 million) to the total acquisition cost of each of the: (i) Ji Ri Ga Lang Project; (ii) Possible Project 3 Further Acquisition; and (iii) acquisition of Yuke Coal and the Zhun Dong Project (being a combined total of US\$129,593,000), the expenses in connection with the exercise of the Specific Mandate and the preparation of the Transaction documents, including the fees payable to the Company’s advisers in connection with the preparation of



the Transaction documents, with any remaining net surplus to be applied to help discharge the capital expenditure requirements of the Ji Ri Ga Lang Project (estimated to be US\$28,500,000).

The Company acknowledges that there is a shortfall between the aggregate net unused proceeds of CCEC's July Placing, CCEC's Post-Signing Placing, the September Placing and the Placing when viewed against the Estimated Capital Requirements. Subject to the market conditions in January and early February of 2008, the Company, together with its advisers, will consider other future fund raising activities appropriate to meet such funding shortfall, including a further exercise of the Specific Mandate and/or debt fund raising activities. In the event that the Company cannot raise further capital to meet any commitment, whether for acquiring any of the acquisitions and/or meeting any capital expenditure requirements, the Company may elect not to proceed with acquisitions of any of the Projects.

If any of the acquisitions of the Ji Ri Ga Lang Project, the Possible 3 Further Acquisition and the Zhun Dong Project does not complete, the net proceeds of the Placing will be used first to discharge the acquisition costs and capital expenditure requirements of those transactions that do complete and thereafter any surplus shall be used for general working capital of the Group and future potential acquisitive activities of the Group identified by the Directors in the manner described above.

#### **EQUITY FUND RAISING ACTIVITIES WITHIN 12 MONTHS IMMEDIATELY BEFORE THIS ANNOUNCEMENT**

On 28 September 2007, the Company completed the September Placing and issued 293,339,464 Shares pursuant to the exercise of the 2006 General Mandate to raise net proceeds of approximately HK\$333.23 million (approximately US\$42.72 million) to help CCEC meet its capital commitments for the Projects. Please refer to the September Placing Announcement for details. As at the date of this announcement, approximately HK\$29.03 million (approximately US\$3.72 million) has been used to finance the ongoing costs and expenses incurred in connection with the Transaction (including the costs in preparing and despatching the VSA Circular, fees and expenses paid to the Company's advisers in preparing the Transaction documents, etc.) and approximately HK\$304 million (approximately US\$39 million) unused proceeds will be used by the Group to help discharge of its Estimated Capital Requirements, which is consistent with the intended use of proceeds as disclosed in the September Placing Announcement.

Save for the issuance of 293,339,464 Shares under the September Placing, the Company has not carried out any equity fund raising activities within 12 months immediately before the date of this announcement.

For Shareholders' information, before completion of the Company's acquisition of CCEC, CCEC has raised approximately US\$20 million gross proceeds and US\$42.72 million net proceeds pursuant to CCEC's July Placing and CCEC's Post-Signing Placing, respectively. Please refer to the VSA Circular for details. As at the date of this announcement, the aggregate amount of unused proceeds of CCEC's July Placing and CCEC's Post-Signing Placing is approximately US\$10 million (approximately HK\$78 million).



## GENERAL

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is an investment holding company focused on investment in mining assets, principally in the PRC.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was suspended from 9:30 a.m. on 12 December 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9.30 a.m. on 18 December 2007.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“ACMC”	Abagaqi Changjiang Mining Co., Ltd. a company registered in Abagaqi, Inner Mongolia Autonomous Region, the PRC
“Additional Consideration Shares”	has the meaning as defined in the VSA Circular
“BMO”	BMO Nesbitt Burns, Inc.
“Board”	the board of Directors
“BOCI”	BOCI Asia Limited, a corporation licensed by the SFC to conduct dealing in securities and advising on corporate finance regulated activities
“CCAC”	China Capital Advisors Corporation, a company incorporated in the Cayman Islands
“CCEC”	CCEC Ltd., a company incorporated in the British Virgin Islands
“CCEC’s July Placing”	has the meaning as defined in the VSA Circular
“CCEC’s Post-Signing Placing”	has the meaning as defined in the VSA Circular
“CCEC Closing Announcement”	the Company’s announcement dated 17 December 2007 in relation to the closing of the acquisition of CCEC
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Stock Exchange and are traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange



“Concert Party Group”	certain Directors comprising James Mellon, Jayne Sutcliffe and Anderson Whamond who are regarded as acting in concert for the purpose of the Takeovers Code and have registered the combined voting rights of the Company held by them (being 473,489,090 Shares in aggregate) with the SFC under the transitional provisions in Rule 26.6 of the Takeovers Code
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	has the meaning as defined in the VSA Circular
“Convertible Bonds”	has the meaning as defined in the VSA Circular
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company held on 8 December 2007 which approved, among others, the Transaction and the Specific Mandate
“Estimated Capital Requirements”	has the meaning ascribed to it in the paragraph headed “Reasons for the Placing” in this announcement
“Finder’s Fee Shares”	has the meaning as defined in the VSA Circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Ji Ri Ga Lang Project”	has the meaning as defined in the VSA Circular
“JM Shares”	has the meaning ascribed to it in the paragraph headed “Conditions of the Placing” in this announcement
“JM Undertaking”	has the meaning ascribed to it in the paragraph headed “Conditions of the Placing” in this announcement
“Last Trading Day”	11 December 2007, being the last day of trading of the Shares on the Stock Exchange before the publication of this announcement
“Latest Practicable Date”	20 November 2007, being the latest practicable date for ascertaining certain information contained in the VSA Circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Placing Price”	HK\$1.04 per Placing Share, being the Placing Price less the estimated related expenses
“Options”	has the meaning as defined in the VSA Circular



“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agents”	BOCI and BMO
“Placing Agreement”	the placing agreement dated 17 December 2007 made between the Company and the Placing Agents in relation to the placing of the Placing Shares
“Placing Price”	HK\$1.10 per Placing Share
“Placing Shares”	an aggregate of 710,000,000 new Shares which the Placing Agents agreed to place on behalf of the Company to placees who are third parties independent of the Company and connected persons of the Company and its subsidiaries at the Placing Price
“Possible Project 3 Further Acquisition”	has the meaning as defined in the VSA Circular
“PRC”	the People’s Republic of China
“Projects”	has the meaning as defined in the VSA Circular
“Redeemable Preference Shares”	has the meaning as defined in the VSA Circular
“Restricted Period”	has the meaning ascribed to it in the paragraph headed “Conditions of the Placing” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“September Placing”	the Company’s placing of 293,339,464 Shares pursuant to a placing agreement entered into on 18 September 2007 between the Company and Morgan Stanley & Co. International plc., details of which have been set out in the September Placing Announcement
“September Placing Announcement”	the announcement dated 18 September 2007 of the Company setting out details of the September Placing
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Shareholders”	holders of the Shares
“Shares”	ordinary share(s) of US\$0.01 each in the share capital of the Company



“Specific Mandate”	the specific mandate granted by the Shareholders (other than Stephen Dattels, Adrian Lungan, the Directors (including the Concert Party Group) and their respective associates) to the Directors to allot, issue and deal with up to 4,000,000,000 Shares by way of ordinary resolution at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transaction”	has the meaning as defined in the VSA Circular
“Transfer Price”	has the meaning as defined in the VSA Circular
“US”	the United States of America
“US\$”	US dollars, the lawful currency of the US
“VSA Circular”	the circular dated 22 November 2007 of the Company in relation to, among others, details of the Transaction (which constitutes a very substantial transaction for the Company under the Listing Rules) and the Specific Mandate
“Yuke Coal”	Yuke Coal Limited, a company incorporated in Hong Kong which is established to hold the rights of certain coal exploration and/or mining licences in Xinjiang Autonomous Region, the PRC
“Yuke Coal Option Agreement”	has the meaning as defined in the VSA Circular
“Zhun Dong Project”	has the meaning as defined in the VSA Circular
“%”	per cent.

For reference only, the figures in RMB and US\$ referred in this announcement have been translated into HK\$ on the basis of assumed exchange rates of US\$1=HK\$7.8 and US\$1=RMB7.5.

By Order of the Board  
**REGENT PACIFIC GROUP LIMITED**

**Jamie Gibson**  
*Executive Director*



**Directors of the Company:**

James Mellon (*Chairman*)\*

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

David Comba<sup>#</sup>

Julie Oates<sup>#</sup>

Patrick Reid<sup>#</sup>

Mark Searle<sup>#</sup>

John Stalker\*

Jayne Sutcliffe\*

Dr. Youzhi Wei\*

Anderson Whamond\*

*\*Non-Executive Directors*

*<sup>#</sup>Independent Non-Executive Directors*

Hong Kong, 17 December 2007