



# Regent Pacific Group Limited

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

Stock Code: 0575

29 February 2008

## ANNOUNCEMENT

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### DISCLOSURE PURSUANT TO RULE 13.14 OF THE LISTING RULES

#### DISCLOSEABLE TRANSACTION

##### SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.14 and Chapter 14 of the Listing Rules.

CCEC has made a further advance to Yuke Coal in the amount of US\$8,000,000 (approximately RMB57,200,000) for the purpose of financing costs to be incurred by Yuke Coal associated with the acquisition of the Shandong Exploration Licences. Consequently, the Group has made advances to Yuke Coal in the aggregate amount of approximately US\$22,500,000 which represent approximately 24.56 per cent. of the Group's total assets under the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

The New Advances contemplated under the Yuke Coal Loan Agreements, on an aggregate basis, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company will issue a circular containing, among others, further details of the New Advances, for Shareholders' information.





## INTRODUCTION

Reference is made to the announcement dated 17 December 2007 (the “**Announcement**”) of Regent Pacific Group Limited (the “**Company**”) in relation to, the loans provided by CCEC Ltd. (“**CCEC**”, a wholly-owned subsidiary of the Company) to Yuke Coal Limited (“**Yuke Coal**”). Capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

As disclosed in the Announcement, as at the date of the Announcement, the advances under the Yuke Coal Loan Agreement and the Yuke Coal Second Loan Agreement in the aggregate amount of approximately US\$14,500,000 (the “**Advances**”) represented approximately 15.82 per cent. of the Group’s total assets under the assets ratio as defined in Rule 14.07(1) of the Listing Rules. As the Advances were made to Yuke Coal by CCEC before the Company’s completion of the acquisition of CCEC on 14 December 2007, the making of the Advances by CCEC under the Yuke Coal Loan Agreement and the Yuke Coal Second Loan Agreement did not trigger any of the provisions of Chapter 14 of the Listing Rules by the Company. After the Company’s completion of the acquisition of CCEC, the Company made the Announcement on 17 December 2007 in compliance with the ongoing disclosure obligations under Rule 13.13 of the Listing Rules.

As disclosed in the Announcement, the Advances under the Yuke Coal Loan Agreement and the Yuke Coal Second Loan Agreement were made on an unsecured basis but security for the loans is to be provided if requested by CCEC.

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.14 and Chapter 14 of the Listing Rules.

## FURTHER ADVANCE TO AN ENTITY

As disclosed in the Announcement, CCEC has agreed to provide loans to Yuke Coal, Yuke Exploration and Nuenco pursuant to the Yuke Coal Loan Agreement, the Yuke Coal Second Loan Agreement, the Yuke Exploration Loan Agreement and the Nuenco Loan Agreement, respectively. Details of such loans have been set out in the Circular and the Announcement for Shareholders’ reference.

On 27 February 2008, CCEC entered into a third loan agreement with Yuke Coal (the “**Yuke Coal Third Loan Agreement**”) pursuant to which CCEC has agreed to provide Yuke Coal with a loan totalling US\$8,000,000 (approximately RMB57,200,000) in cash, for the purpose of financing costs incurred and/or to be incurred by Yuke Coal associated with the acquisition of the Shandong Exploration Licences, with details as follows:



| <u>Licence Number</u> | <u>Licence Holder</u>        | <u>Project Name</u>   | <u>Exploration Area</u> | <u>Term</u>                             |
|-----------------------|------------------------------|---|-------------------------|---|
| T65120080101002014    | Xinjiang Regent Coal Limited | General exploration of Buo Ta Muo Yun Coal Mine, Mulei County             | 29.71 square kilometres | From 28 January 2008 to 28 January 2009 |
| T65120080101002003    | Xinjiang Regent Coal Limited | General exploration of Ku Lan Ka Zi Gan Coal Mine, Mulei County           | 29.43 square kilometres | From 28 January 2008 to 28 January 2009 |
| T65120080101002017    | Xinjiang Regent Coal Limited | General exploration of Suo Er Ba Si Tao Coal Mine, Mulei County           | 29.40 square kilometres | From 28 January 2008 to 28 January 2009 |
| T65120080101002001    | Xinjiang Regent Coal Limited | General exploration of Ku Lan Ka Zi Gan Northwest Coal Mine, Mulei County | 29.44 square kilometres | From 28 January 2008 to 28 January 2009 |

Xinjiang Regent Coal Limited (“**WOFE**”), a wholly-owned subsidiary of Yuke Coal, is the legal owner of four Shandong Exploration Licences issued by the Land and Resources Department of Xinjiang Uygur Autonomous Region for exploration of coal deposits at Mulei-Qitai Kazak Autonomous County, Changji Hui Autonomous Prefecture, Xinjiang Uygur Autonomous Region for a total exploration area of 117.98 square kilometres. The transfer of the Shandong Exploration Licences is not conditional upon the completion of the payment obligations of the transferee. The Shandong Exploration Licences have been re-issued in the name of WOFE, but WOFE has not fully paid the amount payable to the transferor of the transfer. Yuke Coal is to obtain loans to finance the acquisition of the four licences.

The loan under the Yuke Coal Third Loan Agreement will be financed by the Group’s internal cash resources. Interest on the loan is charged at 6-month LIBOR plus 3 per cent. or at 10 per cent. in the event of default. The loan and interest is payable on demand. The US\$8,000,000 loan under the Yuke Coal Third Loan Agreement is secured by the entire issued share capital of Yuke Coal owned by Mr. Yan Ping (“**Mr. Yan**”), who is the guarantor of such loan. The Yuke Coal Third Loan Agreement was negotiated between Yuke Coal and CCEC on an arm’s length basis and the Company believes that the terms of the Yuke Coal Third Loan Agreement are fair and reasonable and in the interests of the shareholders of the Company (the “**Shareholders**”) as a whole.



The advances under the Yuke Coal Loan Agreement, the Yuke Coal Second Loan Agreement and the Yuke Coal Third Loan Agreement (together, the “**Yuke Coal Loan Agreements**”) in the aggregate amount of approximately US\$22,500,000 (the “**New Advances**”) represent approximately 24.56 per cent. of the Group’s total assets under the assets ratio as defined in Rule 14.07(1) of the Listing Rules. Pursuant to Rule 13.14 of the Listing Rules, a general disclosure obligation will arise where any advance to an entity increases from that previously disclosed and the amount of the increase since the previous disclosure is 3 per cent. or more under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. Accordingly, the Company is under a general obligation to disclose the details of the New Advances and therefore the above disclosure is made in compliance with the Listing Rules.

As disclosed in a very substantial acquisition circular issued by the Company on 22 November 2007 (the “**VSA Circular**”), CCEC intends to exercise the option under the Yuke Coal Option Agreement within four months from the date of the VSA Circular, being on or before 21 March 2008, to acquire the entire share capital of Yuke Coal. Upon exercise of such option, Yuke Coal will become a wholly-owned subsidiary of the Company. The Company undertakes that CCEC will exercise the option by 21 March 2008. The Company will issue announcement(s) upon exercise of such option in accordance with the Listing Rules.

Under the terms of the Yuke Coal Loan Agreements, CCEC has sole discretion to decide when repayment of the principal and interest of such loans will be made. Given the short time gap between the grant of the New Advances and the expected time of the exercise of the option under the Yuke Coal Option Agreement, CCEC undertakes that it will not require any repayment of the principal and interest of the New Advances until the exercise of the option.

Once the option is exercised, the New Advances will become intra-group shareholders’ loans between wholly-owned subsidiaries of the Group.

The Company will comply with the disclosure requirements according to Rule 13.20 of the Listing Rules for so long as circumstances giving rise to such disclosure obligation continues to exist.

## **GENERAL INFORMATION**

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



CCEC is an investment holding company incorporated in the British Virgin Islands on 27 July 2006. CCEC is principally engaged in seeking investment opportunities in businesses that are engaged in the full life-cycle of exploration, extraction and sale of thermal coal and coking coal and in addition the operation of coke and chemical works in the PRC. CCEC has become a wholly-owned subsidiary of the Company since the completion of the acquisition of CCEC on 14 December 2007.

Yuke Coal is an investment holding company incorporated in Hong Kong. Yuke Coal is engaged in seeking investment opportunities in the coal mining sector in the PRC. The Company understands that Yuke Coal currently does not have any assets (apart from the Shandong Exploration Licences), liabilities (apart from the New Advances) and operations.

As at the date of the announcement, Mr. Yan is the sole beneficial owner of Yuke Coal. As disclosed in the VSA Circular, CCEC has an option to acquire the entire share capital in Yuke Coal pursuant to the Yuke Coal Option Agreement. As disclosed in the VSA Circular, CCEC has provided financial assistance to Yuke Coal (by way of loan) in order to meet certain payment obligations in respect of the underlying PRC mining projects. The Company believes that the making of the New Advances to Yuke Coal is beneficial to the Company as the purpose of the New Advances is to finance costs incurred and/or to be incurred by Yuke Coal (which will become a wholly-owned subsidiary of the Company upon exercise of the option under the Yuke Coal Option Agreement) associated with the acquisition of the Shandong Exploration Licences.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiry, Mr. Yan is a third party independent of the Company and connected persons of the Company and its subsidiaries.

## **DISCLOSEABLE TRANSACTION**

The New Advances contemplated under the Yuke Coal Loan Agreements, on an aggregate basis constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company will issue a circular containing, among others, further details of the New Advances, for Shareholders' information.



For reference only, the figures in RMB referred to above have been translated into US dollars on the basis of assumed exchange rate of US\$1:RMB7.15.

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

**Jamie Gibson**  
*Executive Director*

**Directors of the Company:**

James Mellon (*Co-Chairman*)<sup>\*</sup>  
Stephen Dattels (*Co-Chairman*)<sup>\*</sup>  
Jamie Gibson (*Chief Executive Officer*)  
Stephen Bywater<sup>\*</sup>  
Clara Cheung  
David Comba<sup>#</sup>  
Julie Oates<sup>#</sup>  
Mark Searle<sup>#</sup>  
John Stalker<sup>\*</sup>  
Jayne Sutcliffe<sup>\*</sup>  
Wu Yuan<sup>#</sup>

<sup>\*</sup> *Non-Executive Directors*

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

Hong Kong, 29 February 2008