



# Regent Pacific Group Limited



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

Stock Code: 0575

5 May 2009

## ANNOUNCEMENT



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## DISCLOSEABLE TRANSACTIONS PURCHASE OF SHARES IN KALAHARI MINERALS PLC PURCHASE OF SHARES IN POLO RESOURCES LIMITED

### SUMMARY

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

### Kalahari

On 5 May 2009 (and after Hong Kong market close) the Company executed a firm commitment letter with Ambrian Partners Limited who, together with Mirabaud Securities plc, acted as joint brokers, pursuant to which it agreed to subscribe for 4,000,000 new Kalahari Shares pursuant to the Placing each at GBP 1.00 (or approximately US\$1.50 or HK\$11.70) per Kalahari Share, representing approximately 2.03 per cent. of the enlarged issued share capital of Kalahari, following the Placing, for an aggregate amount of GBP 4,000,000 (or approximately US\$6,000,000 or HK\$46,800,000).





The subscription will be executed and completed in conjunction with the larger Placing of up to 17,890,000 new Kalahari Shares (inclusive of the 4,000,000 Kalahari Shares allocated to the Company), pursuant to which Kalahari will raise up to GBP 17,890,000 (or approximately US\$26,835,000 or HK\$209,313,000).

Prior to the Company's above referenced subscription, the Company held a total of 3,032,898 Kalahari Shares, representing approximately 1.70 per cent. of the total issued share capital of Kalahari prior to the Placing. These shares were purchased at various times by the Company on-market between November 2008 through to April 2009 at an average price on AIM of approximately GBP 1.03 (or approximately US\$1.55 or HK\$12.09) per Kalahari Share. The aggregate acquisition amount was GBP 3,128,897.85 (or approximately US\$4,693,347 or HK\$36,608,107).

Following completion of the Placing, which is expected to occur on 15 May 2009, the Company will hold an aggregate of 7,032,898 Kalahari Shares, representing approximately 3.57 per cent. of the enlarged issued share capital of Kalahari.

### **Polo**

On 30 April 2009 (and after Hong Kong market close) the Company purchased 10,000,000 Polo Shares on AIM for approximately GBP 0.0358 (or approximately US\$0.0537 or HK\$0.419) per Polo Share, representing approximately 0.48 per cent. of the total issued share capital of Polo, for an aggregate amount of GBP 357,662.50 (or approximately US\$536,494 or HK\$4,184,653).

Prior to the Company's above referenced purchase, the Company held a total of 82,040,000 Polo Shares, representing approximately 3.96 per cent. of the total issued share capital of Polo. These shares were purchased at various times by the Company on-market between September 2008 through to April 2009 at an average price on AIM of approximately GBP 0.0336 (or approximately US\$0.0504 or HK\$0.393) per Polo Share. The aggregate acquisition amount was GBP 2,755,789.42 (or approximately US\$4,133,684 or HK\$32,242,735).

The Company now holds an aggregate of 92,040,000 Polo Shares, representing approximately 4.44 per cent. of the total issued share capital of Polo.

The above referenced acquisitions and, where applicable, subscription in Kalahari and, separately, Polo, constitute discloseable transactions of the Company under Chapter 14 of the HK Listing Rules.



### **Subscription for shares in Kalahari**

The Board is pleased to announce that, on 5 May 2009 (and after Hong Kong market close), the Company executed a firm commitment letter with Ambrian Partners Limited who, together with Mirabaud Securities plc, acted as joint brokers, pursuant to which it agreed to subscribe for 4,000,000 new Kalahari Shares pursuant to the Placing each at GBP 1.00 (or approximately US\$1.50 or HK\$11.70) per Kalahari Share, representing approximately 2.03 per cent. of the enlarged issued share capital of Kalahari, following the Placing, for an aggregate amount of GBP 4,000,000 (or approximately US\$6,000,000 or HK\$46,800,000).

The subscription will be executed and completed in conjunction with the larger Placing of up to 17,890,000 new Kalahari Shares (inclusive of the 4,000,000 Kalahari Shares allocated to the Company), pursuant to which Kalahari will raise up to GBP 17,890,000 (or approximately US\$26,835,000 or HK\$209,313,000).

The Placing is conditional, *inter alia*, upon Kalahari obtaining general issuance authorities from its shareholders at Kalahari's annual general meeting, scheduled to be held on 12 May 2009.

The Placing represents approximately 10 per cent. of the issued share capital of Kalahari and following completion, the Kalahari Shares being placed will represent approximately 9.1 per cent. of its enlarged issued share capital.

The Placing is further conditional on admission of the Kalahari Shares placed under the Placing to AIM, which is expected to occur, and dealings in such Kalahari Shares to commence, on 15 May 2009.

The Kalahari Shares placed under the Placing will, when issued, rank *pari passu* in all respects with the existing issued shares of Kalahari, including the right to receive any dividends and other distributions declared following their admission to AIM.

### **Acquisition of shares in Polo**

On 30 April 2009 (and after Hong Kong market close) the Company purchased 10,000,000 Polo Shares on AIM for approximately GBP 0.0358 (or approximately US\$0.0537 or HK\$0.419) per Polo Share, representing approximately 0.48 per cent. of the total issued share capital of Polo, for an aggregate amount of GBP 357,662.50 (or approximately US\$536,494 or HK\$4,184,653).



### **Existing Interest in Kalahari**

Prior to the Company's above referenced subscription, the Company held a total of 3,032,898 Kalahari Shares, representing approximately 1.70 per cent. of the total issued share capital of Kalahari, prior to the Placing. These shares were purchased at various times by the Company on-market between November 2008 through to April 2009 at an average price on AIM of approximately GBP 1.03 (or approximately US\$1.55 or HK\$12.09) per Kalahari Share. The aggregate acquisition amount was GBP 3,128,897.85 (or approximately US\$4,693,347 or HK\$36,608,107).

Following completion of the Placing, the Company will hold an aggregate of 7,032,898 Kalahari Shares, representing approximately 3.57 per cent. of the enlarged issued share capital of Kalahari.

There are no applicable restrictions to the subsequent sale of any of the Company's existing or newly subscribed Kalahari Shares.

### **Existing Interest in Polo**

Prior to the Company's above referenced purchase, the Company held a total of 82,040,000 Polo Shares, representing approximately 3.96 per cent. of the total issued share capital of Polo. These shares were purchased at various times by the Company on-market between September 2008 through to April 2009 at an average price on AIM of approximately GBP 0.0336 (or approximately US\$0.0504 or HK\$0.393) per Polo Share. The aggregate acquisition amount was GBP 2,755,789.42 (or approximately US\$4,133,684 or HK\$32,242,735).

The Company now holds an aggregate of 92,040,000 Polo Shares, representing approximately 4.44 per cent. of the total issued share capital of Polo.

There are no applicable restrictions to the subsequent sale of any of the Company's existing Polo Shares.

The above referenced acquisitions and, where applicable, subscription in Kalahari and, separately, Polo, constitute discloseable transactions of the Company under Chapter 14 of the HK Listing Rules.



## **Kalahari Consideration**

The subscription of 4,000,000 new Kalahari Shares was negotiated on an arms length basis between the Company, on the one hand, and Ambrian Partners Limited and Mirabaud Securities plc, on the other, as joint brokers, in conjunction with the Placing by reference to the then market price of Kalahari Shares, with the placing price of GBP 1.00 representing a discount of approximately 10.31 per cent. to the closing price of Kalahari Shares on AIM on Friday, 1 May 2009 (with Monday, 4 May 2009 being a public holiday in the United Kingdom). The prices paid for the Company's existing holding of 3,032,898 Kalahari Shares were determined through the market, based on the market price at the time of each such acquisition, with all trades being executed via a broker operating in the market.

In respect of the Company's projected shareholding in Kalahari, inclusive of the Kalahari Shares subscribed for by the Company as part of the Placing, the Company's attributable share of Kalahari's: (i) net loss for the financial year ended 31 December 2008 is GBP 396,642 (or approximately US\$594,963 or HK\$4,640,711); and (ii) net profit for the financial year ended 31 December 2007 is GBP 269,867 (or approximately US\$404,800 or HK\$3,157,440).

## **Polo Consideration**

All prices paid for each of the Company's Polo Shares were determined through the market, based on the market price at the time of each such acquisition, with all trades being executed via a broker operating in the market.

In respect of the Company's shareholding in Polo, inclusive of the Polo Shares acquired on 30 April 2009, the Company's attributable share of Polo's net loss for the period from 23 May 2007 to 30 June 2008 is US\$299,345 (or approximately HK\$2,334,891).

## **Background on Kalahari**

Kalahari is an AIM listed mining exploration and evaluation group with a portfolio of uranium, copper and base metal interests in western and eastern central Namibia.

Kalahari's principal investment is its current approximately 38.68 per cent. (as at the date of this announcement) holding in Extract Resources, which is developing the Husab Uranium Project (100 per cent. owned by Extract Resources), strategically located within a 50km radius of several world class uranium deposits. Kalahari has publicly stated that consistently high assay results over the last 12 months have identified Rossing South, one of two key areas within Husab, as one of the most significant new uranium discoveries in recent years with an initial resource of 108 M lb U3O8 for Zone 1 announced in January 2009. Kalahari has further publicly stated that the Zone 2 resource is expected to be announced later this year.



Kalahari's portfolio also includes copper and base metals projects, two of which, Dordabis and Witvlei, Kalahari has publicly stated to be prospective for sediment hosted copper mineralisation consistent with the world class Zambian Copper Belt. A third project, Ubib, is believed to be prospective for gold mineralisation and is nearby the operating Navachab gold mine.

Kalahari has stated publicly that it is currently undertaking development and exploration programmes aimed at identifying the feasibility of commencing one or more mining operations.

### **Background on Polo**

Polo is an AIM listed mining and exploration group which has publicly stated that it is focused on acquiring and developing interests in coal and exploration projects, including uranium, that are strategically located to serve the increasing global demand for energy, in particular to feed the robust demand of Asia.

Polo holds a portfolio of coal and uranium licences in Mongolia and it has stated that it has specifically targeted areas of significant known coal resources that are near the necessary infrastructure to export coal into the growing energy markets of adjacent China and Russia.

In addition, Polo holds corporate investments in, *inter alia*: (i) Caledon Resources plc (approximately 26.3 per cent., as reported on Polo's web site), a dual listed company on both the ASX and AIM which is a coking coal producer and explorer in the Bowen Basin of Queensland, Australia; (ii) GCM Resources plc (approximately 29.8 per cent., as reported on Polo's web site), an AIM listed company whose principal asset is the Phulbari Coal Project in Bangladesh; and (iii) Berkeley Resources Ltd (approximately 11.13 per cent., as reported on Polo's web site), a dual listed company on both the ASX and AIM which is an uranium explorer and developer in the Iberian peninsula located in the extreme southwest of Europe.

In addition, Polo holds 23,217,700 ordinary shares (or approximately 10.17 per cent.) in Extract Resources.

### **Reasons for acquiring and subscribing for shares in Kalahari**

The Board considers a strategic investment in Kalahari as a sensible diversification of its existing energy and energy related investments. Historically, the Company has been primarily focussed on base metal and coal projects and other investments in the mining sector, but as worldwide concern in respect of 'Global Warming' intensifies, investment in what is widely regarded as a 'cleaner' energy source is entirely appropriate.



The case for investing in uranium focussed companies and assets is made even stronger by the weight of evidence demonstrating the current and widespread political acceptance of uranium as an alternative energy source and the need to commission and develop more nuclear power plants. Certainly, this is consistent with the approach taken by China.

The Directors consider the transactions referred to above 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 transactions referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Reasons for acquiring shares in Polo**

Consistent with the reasons behind the above referenced acquisitions and subscription of and for Kalahari Shares, the Board considers a strategic investment in Polo as a prudent expansion of its existing energy and energy related investments in Asia, by diversifying the Company's exposure from not just that of China and Indonesia, but also to cover Mongolia in both the coal and uranium sectors.

The Board has also followed Polo's recent developments with Peabody Energy Corporation and American Patriot International, LLC closely, pursuant to which Polo will, subject to completion of relevant legal agreements, form a 50:50 joint venture with Peabody Energy Corporation in respect of all of Polo's coal and uranium interests in Mongolia, with the coal assets to be managed by American Patriot International, LLC.

The Board considers a strategic investment of this type in Polo as a suitable foray into Mongolian coal and uranium and remains hopeful that the developments with Peabody Energy Corporation and American Patriot International, LLC will prove fruitful in unlocking value for shareholders. In addition, the Board considers Polo's approximately 10.17 per cent. shareholding interest in Extract Resources a welcome inclusion in its diversified portfolio of corporate investments.

The Directors consider the transactions referred to above 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 transactions referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Source of funds**

The acquisition and subscription costs in respect of both Kalahari Shares and Polo Shares were and will be paid from the working capital of the Company.



## Discloseable transactions

In view of the fact that the aggregate amount of cash used to purchase all of the Company's interest in each of: (i) Kalahari (being GBP 7,128,897.85 or approximately US\$10,693,347 or HK\$83,408,107), inclusive of the amount to be subscribed to acquire the 4,000,000 new Kalahari Shares as part of the Placing; and (ii) Polo (being GBP 3,113,451.92 or approximately US\$4,670,178 or HK\$36,427,388), inclusive of the 10,000,000 Polo Shares acquired on 30 April 2009, exceeds 5 per cent. but is less than 25 per cent. of the Company's market capitalisation, the above referenced acquisitions and, where applicable, subscription in respect of Kalahari, on the one hand, and Polo, on the other, each constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules. For the purposes of arriving at such a determination, the Company has aggregated the acquisition cost of all prior transactions involving Kalahari Shares, separately, and Polo Shares in accordance with Rule 14.22 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the above referenced acquisitions and subscription in accordance with the HK Listing Rules.

## Not a connected transaction

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Ambrian Partners Limited, Mirabaud Securities plc, Kalahari, Polo and, save as otherwise set out below, its/their respective beneficial owner(s) are third parties independent of the Company and are not connected persons of the Group.

In addition to his interest in the Company, James Mellon, a Co-Chairman and Non-Executive Director of the Company, has the following direct and indirect voting interests in Extract Resources, Kalahari and Polo:

- a Non-Executive Co-Chairman position on the board of Emerging Metals Limited (a listed company on AIM, where he sits as one of five directors) in which he holds 28,205,683 shares (or approximately 8.528 per cent.), which, in turn, holds 17,600,000 shares (or approximately 9.837 per cent.) in Kalahari;
- a Director on the board of Red Dragon Resources Corporation (a listed company on TSX-V of the Toronto Stock Exchange, where he sits as one of five directors) in which he holds 4,656,391 shares (or approximately 6.789 per cent.), which, in turn, holds 2,850,000 shares (or approximately 1.593 per cent.) in Kalahari;





- 354,739 shares (or approximately 0.313 per cent.) in Niger Uranium Limited (a listed company on AIM), which, in turn, holds 27,680,000 shares (or approximately 15.471 per cent.) in Kalahari; and
- 21,500,000 shares (or approximately 1.038 per cent.) in Polo which, in turn, holds 23,217,700 shares (or approximately 10.17 per cent.) in Extract Resources.

In addition to his interest in the Company, Stephen Dattels, a Co-Chairman and Non-Executive Director of the Company, has the following direct and indirect voting interests in Extract Resources, Kalahari and Polo:

- 2,107,800 shares (or approximately 0.944 per cent.) in Extract Resources;
- a Non-Executive Co-Chairman position on the board of Emerging Metals Limited (where he sits as one of five directors) in which he holds 19,792,504 shares (or approximately 5.984 per cent.);
- 6,520,147 shares (or approximately 9.506 per cent.) in Red Dragon Resources Corporation; and
- the Executive Chairman position on the board of Polo (where he sits as one of six directors) and holds 75,714,286 shares (or approximately 3.657 per cent.) in Polo.

In addition to each of their interests in the Company, Jamie Gibson (the Chief Executive Officer of the Company), Mark Searle (an Independent Non-Executive Director of the Company), Stephen Bywater and John Stalker (both former Directors having resigned effective from 8 April 2009), holds (directly and indirectly): (i) 105,174 shares (or approximately 0.153 per cent.) in Red Dragon Resources Corporation and 19,342 shares (or approximately 0.017 per cent.) in Niger Uranium Limited; (ii) 1,825,000 shares (or approximately 0.552 per cent.) in Emerging Metals Limited; (iii) 2,500,000 Polo Shares (or approximately 0.121 per cent.); and (iv) 16,584 shares (or approximately 0.024 per cent.) in Red Dragon Resources Corporation, 532,109 shares (or approximately 0.470 per cent.) in Niger Uranium Limited and 4,000,000 Polo Shares (or approximately 0.193 per cent.), respectively.

Moreover, the Company holds the following direct interests in the above mentioned companies:

- 6,515,566 shares (or approximately 1.970 per cent.) of Emerging Metals Limited;
- 3,935,554 shares (or approximately 5.738 per cent.) of Red Dragon Resources Corporation; and
- 1,024,643 shares (or approximately 0.905 per cent.) of Niger Uranium Limited.

Regardless of the above disclosures, none of the transactions disclosed in this announcement are connected transactions for the purposes of Chapter 14A of the HK Listing Rules.



## 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 on the Asian region. It explores for and mines copper, zinc, gold, silver, lead and thermal coal. Its principal assets are located in Yunnan Province, Inner Mongolia and Xinjiang, China.

## Principal business activities of Ambrian Partners Limited

Based in London, Ambrian Partners Limited provides corporate finance, stockbroking, commodity broking and investment management services to institutional and corporate clients active in the natural resources and new technology sectors. Ambrian Partners Limited also actively manages a portfolio of principal investments in the resources sector.

## Principal business activities of Mirabaud Securities plc

Mirabaud Securities plc is a stockbroker based in London, being part of the Mirabaud Group, a private Swiss banking firm, established in Geneva in 1819.

Mirabaud Securities plc offers stockbroking services to corporate and institutional clients, having a dedicated natural resources team.

## Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

“ <b>AIM</b> ”	London Stock Exchange plc’s Alternative Investment Market
“ <b>associate(s)</b> ”	shall have the meaning defined in the HK Listing Rules
“ <b>ASX</b> ”	Australian Securities Exchange
“ <b>Board</b> ”	the board of directors of the Company
“ <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 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>“Extract Resources”</b>	Extract Resources Limited, a company having limited liability, the shares of which are listed on both the ASX and the Toronto Stock Exchange
<b>“GBP”</b>	Great British Pounds, the lawful currency of England and Wales
<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>“Kalahari”</b>	Kalahari Minerals plc, a company having limited liability, the shares of which are listed on AIM
<b>“Kalahari Shares”</b>	ordinary voting and listed shares in Kalahari
<b>“Placing”</b>	the placing by Ambrian Partners Limited and Mirabaud Securities plc, as joint brokers, of up to 17,890,000 new Kalahari Shares, each at GBP 1.00 (or approximately US\$1.50 or HK\$11.70) to raise up to GBP 17,890,000 (or approximately US\$26,835,000 or HK\$209,313,000), announced by Kalahari on 1 May 2009
<b>“Polo”</b>	Polo Resources Limited, a company having limited liability, the shares of which are listed on AIM
<b>“Polo Shares”</b>	ordinary voting and listed shares in Polo
<b>“Shareholder(s)”</b>	the holders of the Shares



“Share(s)” 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

“US\$” United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, (i) 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; and (ii) amounts denominated in GBP have been translated, for the purpose of illustration only, into US\$ using the exchange rate of GBP1.00 = US\$1.50.

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*)  
Clara Cheung  
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, 5 May 2009