



Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

18 June 2009

ANNOUNCEMENT



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DISCLOSEABLE TRANSACTION INVESTMENT IN BC IRON LIMITED



SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 and Chapter 14 of the HK Listing Rules.

On 18 June 2009 (and after Hong Kong market close) the Company gave a firm written commitment to Argonaut Securities Pty Limited, as broker, pursuant to which it agreed to subscribe for 2,500,000 new BCI Shares pursuant to the Placing each at AUD 1.10 (or approximately US\$0.8751 or HK\$6.8258) per BCI Share, representing approximately 3.64 per cent. of the enlarged issued share capital of BCI, following the Placing, for an aggregate amount of AUD 2,750,000 (or approximately US\$2,187,625 or HK\$17,063,475).

The subscription will be executed and completed in conjunction with the larger Placing of up to 8,500,000 new BCI Shares (inclusive of the 2,500,000 BCI Shares allocated to the Company), pursuant to which BCI will raise up to AUD 9,350,000 (or approximately US\$7,437,925 or HK\$58,015,815). In this respect, Argonaut Securities Pty Limited has also executed arrangements and sought irrevocable written commitments from other institutional investors.





In addition to and in conjunction with its commitment in respect of the Placing, the Company has given a firm written commitment to Argonaut Securities Pty Limited, as underwriter, to take a sub underwriting position in respect of up to 7,500,000 new BCI Shares, to be issued pursuant to the Entitlements Issue, representing approximately 9.35 per cent. of the enlarged issued share capital of BCI following the Entitlements Issue. The Entitlements Issue is expected to be conducted on a one new BCI Share for every six existing BCI Shares held, at the same price per BCI Share as the Placing. It is anticipated that up to 11,461,000 new BCI Shares will be issued under the Entitlements Issue, with placees under the Placing being entitled to participate in the Entitlements Issue.

In the event that the shortfall on the Entitlements Issue is such that the Company is allotted less than 6,000,000 shares under both the Placing and Entitlements Issue, BCI has agreed to place additional new BCI Shares to the Company to ensure that it receives a minimum of 6,000,000 BCI Shares, representing approximately 7.48 per cent. of the enlarged issued share capital of BCI following both the Placing and the Entitlements Issue.

Prior to the Company's above referenced subscription and sub underwriting position, the Company held no interest in BCI Shares.

The Placing is expected to complete on or around 26 June 2009, with admission of the new BCI Shares placed under the Placing to ASX expected to occur, and dealings in such BCI Shares to commence, on or around 29 June 2009.

The Entitlements Issue is expected to complete on or around 22 July 2009, with admission of the new BCI Shares issued under the Entitlements Issue to ASX expected to occur, and dealings in such BCI Shares to commence, on or around 31 July 2009.

The above referenced subscription into the Placing and the sub underwriting position in respect of the Entitlements Issue are, together, a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Investment in BC Iron Limited

The Board is pleased to announce that, on 18 June 2009 (and after Hong Kong market close), the Company gave a firm written commitment to Argonaut Securities Pty Limited, as broker, pursuant to which it agreed to subscribe for 2,500,000 new BCI Shares pursuant to the Placing each at AUD 1.10 (or approximately US\$0.8751 or HK\$6.8258) per BCI Share, representing approximately 3.64 per cent. of the enlarged issued share capital of BCI, following the Placing, for an aggregate amount of AUD 2,750,000 (or approximately US\$2,187,625 or HK\$17,063,475).



The subscription will be executed and completed in conjunction with the larger Placing of up to 8,500,000 new BCI Shares (inclusive of the 2,500,000 BCI Shares allocated to the Company), pursuant to which BCI will raise up to AUD 9,350,000 (or approximately US\$7,437,925 or HK\$58,015,815). In this respect, Argonaut Securities Pty Limited has also executed arrangements and sought irrevocable written commitments from other institutional investors.

In addition to and in conjunction with its commitment in respect of the Placing, the Company has given a firm written commitment to Argonaut Securities Pty Limited, as underwriter, to take a sub underwriting position in respect of up to 7,500,000 new BCI Shares, to be issued pursuant to the Entitlements Issue, representing approximately 9.35 per cent. of the enlarged issued share capital of BCI following the Entitlements Issue. The Entitlements Issue is expected to be conducted on a one new BCI Share for every six existing BCI Shares held, at the same price per BCI Share as the Placing. It is anticipated that up to 11,461,000 new BCI Shares will be issued under the Entitlements Issue, with placees under the Placing being entitled to participate in the Entitlements Issue.

In the event that the shortfall on the Entitlements Issue is such that the Company is allotted less than 6,000,000 shares under both the Placing and Entitlements Issue, BCI has agreed to place additional new BCI Shares to the Company to ensure that it receives a minimum of 6,000,000 BCI Shares, representing approximately 7.48 per cent. of the enlarged issued share capital of BCI following both the Placing and the Entitlements Issue.

Prior to the Company's above referenced subscription and sub underwriting position, the Company held no interest in BCI Shares.

The Placing is expected to complete and the new BCI Shares allotted and issued on or around 26 June 2009, with admission of the new BCI Shares placed under the Placing to ASX expected to occur, and dealings in such BCI Shares to commence, on or around 29 June 2009.

The Entitlements Issue is expected to complete on or around 22 July 2009, with admission of the new BCI Shares issued under the Entitlements Issue to ASX expected to occur, and dealings in such BCI Shares to commence, on or around 31 July 2009.

There are no conditions to the Placing or Entitlements Issue.

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

There are no applicable restrictions to the subsequent sale of any of the Company's newly subscribed or sub underwritten BCI Shares.



The above referenced subscription into the Placing and the sub underwriting position in respect of the Entitlements Issue are, together, a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

BC Iron Limited Consideration

The subscription of 10,000,000 new BCI Shares under the Placing and the sub underwriting position under the Entitlements Issue was negotiated on an arms length basis between the Company, on the one hand, and Argonaut Securities Pty Limited, on the other, as broker and underwriter, in conjunction with the Placing and Entitlements Issue by reference to the then market price of BCI Shares, with the Placing and Entitlements Issue price of AUD 1.10 representing a discount of approximately 13.39 per cent. to the closing price of BCI Shares on ASX on 16 June 2009, the last day of trading in BCI prior to BCI entering into a pre-opening trading halt on 17 June 2009.

In respect of the Company's projected shareholding in BCI subscribed for by the Company under the Placing and sub underwritten under the Entitlements Issue, the Company's attributable share of BCI's: (i) net loss (both before and after taxation and extraordinary items) for the financial year ended 30 June 2008 is approximately AUD 98,179 (or approximately US\$78,101 or HK\$609,188); and (ii) net loss (both before and after taxation and extraordinary items) for the financial year ended 30 June 2007 is approximately AUD 93,293 (or approximately US\$74,215 or HK\$578,877).

The net asset value of BCI is AUD 13,175,594 (or approximately US\$10,481,185 or HK\$81,753,243) as at 30 June 2008, being the number shown in BCI's latest publicly disclosed audited financial statements for the year ended 30 June 2008.

BCI plans to use the net proceeds from the financing (from both the Placing and the Entitlements Issue) to fund its share of the capital costs of the Nullagine joint venture with Fortescue Metals Group (FMG) (see further details below), provide growth capital for pursuing other opportunities and for general working capital.

Background on BC Iron Limited

BCI (ASX code: BCI) is an emerging iron ore producer focused on Western Australia's world-class Pilbara region. BCI was formed by combining the iron ore interests of Alkane Resources Ltd and Consolidated Minerals Ltd – which are now both major shareholders in BCI.

BCI's core asset is the Nullagine Iron Ore Project, a tenement portfolio which is located 140km north of Newman in Western Australia's Pilbara region and proximal to Fortescue Metals Group's Chichester operation.



The 100%-owned Nullagine Project is reported by BCI to host a Direct Shipping Ore (DSO) resource of 50.7Mt at 57% Fe (64.8% CaFe) within an overall Channel Iron Deposit (CID) of 89.1Mt @ 54.1%Fe. Importantly, the resource is reported by BCI to occur at surface, resulting in low stripping ratios, and to have very low contaminants.

Following the completion of a scoping study on a start-up DSO, BCI has now moved quickly into a definitive feasibility study. This study, which is reported to be nearing completion, is examining the prospect of commencing commercial operations at the Bonnie Creek Channel Iron Deposit (CID) Project in April 2010.

BCI recently announced the signing of a significant joint venture agreement with Fortescue Metals Group Limited (FMG) in respect of the Nullagine Iron Ore Project, that, it says, puts BCI on track to become Australia's newest iron ore producer in April 2010. Under the terms of the agreement, BCI and Chichester Metals Pty Ltd (a wholly owned subsidiary of FMG), will, subject to agreeing to proceed with the project based on a feasibility study approved by both parties, each hold a 50:50 interest in the joint venture and contribute equity up to AUD\$10 million to the project, with the remaining development costs expected to be funded through project finance.

BCI has stated that it will manage the joint venture, including responsibility for all operations, road haulage, marketing and ore sales, while FMG subsidiary, The Pilbara Infrastructure (TPI), will manage all rail and port operations, taking product from the project stockpile at FMG's Chichester operation to ships in Port Hedland.

BCI expects to benefit significantly from synergies arising from the proximity to FMG's operations, including access to existing infrastructure, systems and facilities, which will expedite the logistics of the new mine development.

BCI has also concluded negotiations with an off-take partner, Australian-based metals and trading house Tennant Metals Pty Ltd, who will act as agent and/or principal for the Free on Board (FOB) sale of 25 per cent. of iron ore produced at Nullagine for a minimum five year period from the commencement of production. Under the agreement, the price of the ore will be referenced to the long-term benchmark iron ore price, with appropriate adjustments for the premium quality nature of Nullagine iron ore.

The proposed mining operation will be relatively simple and low-cost. In particular, the outcropping nature of the resource will result in a low waste-to-ore strip ratio. BCI is investigating innovative techniques such as the use of Vermeer surface miners and in-pit, portable crushing which will allow highly selective mining.

BCI's directors have suitable qualifications and, importantly, experience in exploration and assessment of CID mineralisation.



Reasons for subscribing for and sub underwriting shares in BC Iron Limited

The Board considers a strategic investment in BCI as a sensible 'first look' investment into Western Australian iron ore assets. Historically, the Company has been primarily focussed on base metal and coal projects and other investments in the mining sector (more recently in the uranium space), but as worldwide confidence and appetite for risk improves, investment in a company whose iron ore assets are located in the Pilbara region of Western Australia, widely regarded as a premium source of iron ore, is entirely appropriate.

The case for investing in iron ore focussed companies and assets is made even stronger by the weight of evidence demonstrating renewed demand for the ore from China, driven largely by its steel mills.

Specifically, the Board considers that an investment in BCI is sensible in light of BCI's reported:

- high quality product, having very low phosphorous, high calcined iron grade DSO product with encouraging sintering characteristics;
- low capital intensity, having a flat lying, outcropping resource with a low strip ratio and capital intensity;
- access to infrastructure, following the recently announced joint venture with FMG and TPI to help unlock value of the Nullagine Project; and
- near term production, with initial production targeted for April 2010, ramping up thereafter.

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 subscription and sub underwriting costs in respect of the BCI Shares were and will be paid from the working capital of the Company.

Discloseable transaction

In view of the fact that the aggregate amount of cash to be used to: (i) subscribe for all of the Company's interest in BCI under the Placing (being AUD 2,750,000 or approximately US\$2,187,625 or HK\$17,063,475); and (ii) cover up to 7,500,000 BCI Shares in respect of the Company's sub underwriting position under the Entitlements Issue (being AUD 8,250,000 or approximately US\$6,562,875 or HK\$51,190,425, which assumes that the Company is required to cover all of its sub underwritten BCI Shares), together exceed 5 per cent. but is less than 25 per cent. of the Company's market capitalisation, the above referenced subscription into the



Placing and sub underwriting in respect of the Entitlements Issue 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 Company's planned participation in Placing and sub underwriting position in respect of the Entitlements Issue 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 Argonaut Securities Pty Limited, BCI and its/their respective beneficial owner(s) are third parties independent of the Company and are not connected persons 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 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 Argonaut Securities Pty Limited

Based in Perth, Western Australia, Argonaut Securities Pty Limited is an integrated Investment house with Corporate, Stockbroking & Research, Funds Management and Principal Investment divisions.

Across its operating divisions, Argonaut Securities Pty Limited focuses on natural resources companies, and businesses that service the natural resources sector.

Definitions

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

"associate(s)"	shall have the meaning defined in the HK Listing Rules
"ASX"	Australian Securities Exchange
"AUD"	Australian dollars, the lawful currency in Australia



“BCI”	BC Iron Limited, a company having limited liability, the shares of which are listed on ASX
“BCI Shares”	ordinary voting and listed shares in BCI
“Board”	the board of directors of the Company
“China”	Peoples’ Republic of China
“Company”	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
“connected person(s)”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Director(s)”	the directors of the Company
“Entitlements Issue”	a non-renounceable entitlements offer to the existing shareholders of BCI of up to 11,461,000 new BCI Shares, including places under the Placing, expected to be conducted on the basis of one BCI Share for every six existing BCI Shares held, at the same price per BCI Share as the Placing to raise up to AUD 12,607,100 (or approximately US\$10,028,948 or HK\$78,225,794), to be announced by BCI on 19 June 2009
“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Placing”	the placing by Argonaut Securities Pty Limited, as broker, of up to 8,500,000 new BCI Shares, each at AUD 1.10 (or approximately US\$0.8751 or HK\$6.8258) to raise up to AUD 9,350,000 (or approximately US\$7,437,925 or HK\$58,015,815), to be announced by BCI on 19 June 2009



“Shareholder(s)”	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 AUD have been translated, for the purpose of illustration only, into US\$ using the exchange rate of AUD 1.00 = US\$0.7955; 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*)^{*}
Stephen Dattels (*Co-Chairman*)^{*}
Jamie Gibson (*Chief Executive Officer*)
Clara Cheung
David Comba[#]
Julie Oates[#]
Mark Searle[#]
Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 18 June 2009