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REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

CONNECTED TRANSACTION — FINANCIAL ASSISTANCE TO RED DRAGON MINERALS CORPORATION

The Company entered into the Loan Agreement with RDMC on 22 September 2005.

RDMC is owned as to 60% by Finistere Limited as nominee for Magi Projects Limited and as to 40% by two individuals each beneficially interested in 20% of RDMC. RDMC is an 80% beneficially owned subsidiary of the Company. Finistere Limited, acting as nominee for Magi Projects Limited, holds 20% of the issued share capital of RDMC. By virtue of Rule 1.01(b)(i) of the Listing Rules, RDMC is regarded as an associate of Finistere Limited and is therefore a connected person of the Company. Accordingly, the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the amount of the Loan, each of the applicable percentage ratios is less than 2.5%. Thus, the Loan Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules. Details of the Loan Agreement will be included in the next published annual report and accounts of the Company.

INTRODUCTION

This is an announcement made by the board (the “**Board**”) of directors (the “**Directors**”) of Regent Pacific Group Limited (the “**Company**”).

The Board announces that, on 22 September 2005, the Company and Red Dragon Minerals Corporation (“**RDMC**”) entered into a loan agreement (the “**Loan Agreement**”) pursuant to which the Company has advanced a sum of US\$200,000 (HK\$1,560,000) (the “**Loan**”) to RDMC on the terms and conditions as set out in the paragraph headed “The Loan Agreement” below in this announcement.

THE LOAN AGREEMENT

Date of the Loan Agreement:	22 September 2005
Lender:	The Company
Borrower:	RDMC
Amount of Loan:	US\$200,000
Interest:	Interest will accrue daily at the lending rate of The Hongkong and Shanghai Banking Corporation Limited for USD deposits for a six month period plus 3.5%, starting on the drawdown date and be charged on the Loan until it is repaid in full
Repayment Date:	The aggregate principal amount of the Loan together with all interest accrued thereon shall be repaid by RDMC in full to the Company on the date falling six months after the drawdown date. The Company shall have the option to convert the Loan (and all interest accrued thereon) into shares in RDMC so that, immediately after conversion, it becomes beneficially interested in 3% of the issued share capital of RDMC
Security:	A charge given by all the shareholders of RDMC in favour of the Company in respect of their shares in RDMC

INFORMATION ABOUT THE COMPANY AND RDMC

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Frankfurt Stock Exchange. It is engaged principally in investment holding.

RDMC is a limited liability company incorporated under the laws of the British Virgin Islands on 21 December 2004. It is engaged principally in seeking investment opportunities in businesses that are engaged in the exploration, processing and mining of minerals in the People’s Republic of China (the “**PRC**”). RDMC is now beginning to develop its business and has not generated profits since its incorporation. However, RDMC has recently formed a joint venture with a third party independent of the Company and its connected persons that is engaged in the exploration of minerals in the PRC. In the event that RDMC is unable to make the repayment in accordance with the terms of the Loan Agreement, the Company will be entitled to exercise the security and take over the ownership and management of RDMC. The Company is now negotiating with RDMC with an intention of entering into a cooperation agreement pertaining to the joint venture, pursuant to which the Company may initially acquire a minority interest in RDMC. However, the discussions regarding the entering into of such a cooperation agreement are still at a preliminary stage and no definitive agreement or letter of intent has been signed and there can be no assurance that any such agreement or letter of intent will be signed. Provided that the Company and RDMC can successfully negotiate a cooperation agreement pertaining to the joint venture, it is the intention of the

Directors that they will convert the Loan (and all interest accrued thereon) into shares in RDMC in accordance with the terms of the Loan Agreement so that, immediately after conversion, it becomes beneficially interested in 3% of the issued share capital of RDMC.

RDMC is owned as to 60% by Finistere Limited as nominee for Magi Projects Limited and as to 40% by two individuals each beneficially interested in 20% of RDMC. Magi Projects Limited is comprised in the assets of a discretionary trust (the “**Trust**”) in which Mr. Stephen Dattels is the settlor and one of the discretionary objects. Red Dragon Resources Corporation (“**RDRC**”), a limited liability company incorporated under the laws of the British Virgin Islands, is an 80% beneficially owned subsidiary of the Company. Finistere Limited, acting as nominee for Magi Projects Limited, holds 20% of the issued share capital of RDRC. Magi Projects Limited is entitled to exercise or control the exercise of 20% voting power at general meetings of RDRC independently without reference to Mr. Stephen Dattels. The two individuals each beneficially interested in 20% of RDMC are directors of RDRC.

On 21 January 2005, the Company announced, *inter alia*, that on 20 January 2005 it had entered into an exclusivity agreement (the “**Exclusivity Agreement**”) with independent third parties, and a refundable deposit of US\$300,000 (approximately HK\$2.34 million) would be paid by the Company to secure the right to conduct exclusive negotiations with the independent third parties in relation to a proposed acquisition of a major interest in a company that seeks investment opportunities in businesses that are engaged in the exploration and production in mining minerals. In accordance with the terms of the Exclusivity Agreement, the refundable deposit of US\$300,000 will be refunded to the Company within 5 days after the expiry of the exclusivity period falling on 20 October 2005. The independent third parties with whom the Company entered into the Exclusivity Agreement were Finistere Limited and RDMC. RDRC was then not a subsidiary of the Company as at that time it was wholly-owned by Finistere Limited. Accordingly, at that time none of Finistere Limited and the two individuals each beneficially interested in 20% of RDMC was a connected person of the Company. RDRC became a subsidiary of the Company on 27 June 2005 when the Company first acquired a 60% interest in RDRC. Following the acquisition by the Company of the 60% interest in RDRC, Finistere Limited became a substantial shareholder of RDRC and was therefore a connected person of the Company. The two individuals each beneficially interested in 20% of RDMC became connected persons of the Company when they were appointed directors of RDRC on 19 August 2005.

The discussions regarding the proposed acquisition are still at a preliminary stage; no definitive agreement or letter of intent has been signed and there can be no assurance that any such agreement or letter of intent will be signed. The Board wishes to emphasise that no terms of any acquisition have been agreed and the Company will comply with the relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) when the terms of acquisition have been agreed and update the market with further developments concerning the negotiations as required under the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The Company is regularly evaluating and considering new investment areas. The Company is of the view that by entering into the Loan Agreement on the agreed terms, RDMC will be provided with additional working capital so that it can continue to seek investment opportunities in businesses that are engaged in the exploration, processing and mining of minerals in the PRC, thereby assisting the Company in exploring investment opportunities in this regard.

The terms of the Loan Agreement were arrived at on normal commercial terms and the Directors, including the three independent non-executive directors, believe that the terms of the Loan Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

FUNDING

The Company's funding for the Loan is sourced from the internal resources of the Company and its subsidiaries (together the "**Group**"). The entering into of the Loan Agreement is not expected to have any immediate material effect on the earnings, assets and liabilities of the Group.

IMPLICATIONS UNDER THE LISTING RULES

RDMC is owned as to 60% by Finistere Limited as nominee for Magi Projects Limited and as to 40% by two individuals each beneficially interested in 20% of RDMC. RDRC is an 80% beneficially owned subsidiary of the Company. Finistere Limited, acting as nominee for Magi Projects Limited, holds 20% of the issued share capital of RDRC. By virtue of Rule 1.01(b)(i) of the Listing Rules, RDMC is regarded as an associate of Finistere Limited and is therefore a connected person of the Company. Accordingly, the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the amount of the Loan, each of the applicable percentage ratios is less than 2.5%. Thus, the Loan Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

Details of the Loan Agreement will be included in the next published annual report and accounts of the Company.

Note: In this announcement, for reference only and unless otherwise specified, the conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1.00 to HK\$7.80.

On behalf of the Board
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

Anthony Baillieu (*Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

James Mellon*

Julie Oates#

Mark Searle#

Jayne Sutcliffe*

Anderson Whamond*

Robert Whiting#

* *Non-executive Directors*

Independent non-executive Directors

Hong Kong, 12 October 2005

Please also refer to the published version of this announcement in *The Standard*.