



# Regent Pacific Group Limited

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

Stock Code: 0575

21 December 2011

## ANNOUNCEMENT

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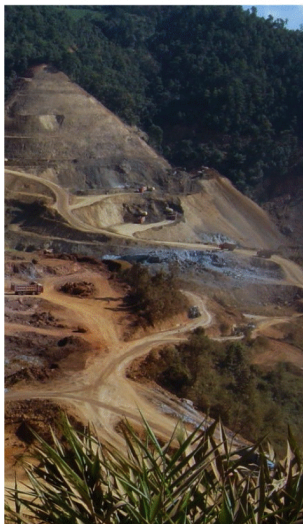
### **DISCLOSEABLE TRANSACTION: DISPOSAL OF THE COMPANY'S INTEREST IN JI RI GA LANG COAL PROJECT**

#### **SUMMARY**

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

On 21 December 2011 (and after market close in Hong Kong), the Company entered into the Sale and Purchase Agreement with the First Buyer and the Second Buyer, pursuant to which the Company has agreed to sell and each of the First Buyer and the Second Buyer has agreed to purchase the Sale Shares (in respect of which Regent Coal (BVI), the subject of the Sale Shares, in turn holds a 51 per cent interest in the Ji Ri Ga Lang Coal Project), as to 40:60 ownership, for an aggregate consideration of RMB 115 million (or approximately US\$18.12 million or HK\$141.34 million) in cash.

The Disposal will provide the Company with total proceeds (before expenses) of US\$18.12 million (or approximately HK\$141.34 million), which will be applied towards other investments as well as working capital.





The Disposal will generate a net realised gain before expenses of approximately US\$3.40 million (or approximately HK\$26.52 million), as detailed in the paragraph titled “Financial effects of the Disposal on the Group”.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

**As completion of the Disposal is subject to the fulfilment of a number of conditions, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

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

### **Sale and Purchase Agreement**

(a) **Date**

21 December 2011

(b) **Parties**

Seller: the Company

First Buyer: Wang Hongyu

Second Buyer: Yao Guangyi (together with the First Buyer, the “**Purchaser**”)

Note: References to the Purchaser shall be interpreted and construed as being references to both the First Buyer and the Second Buyer, and in respect of any rights or obligations of the Purchaser, references to the Purchaser in the Sale and Purchase Agreement shall be interpreted and construed as being rights or obligations of each of the First Buyer and the Second Buyer in each case acting jointly and severally.



(c) **Interests to be disposed of**

The Sale Shares (in respect of which Regent Coal (BVI), the subject of the Sale Shares, in turn holds a 51 per cent interest in the Ji Ri Ga Lang Coal Project) between the First Buyer and the Second Buyer as to 40:60 ownership

(d) **Agreement to extinguish intercompany balances**

In consideration of the mutual covenants and obligations contained in the Sale and Purchase Agreement, the Company agrees to: (i) surrender, release or otherwise extinguish any and all monetary amounts that it owes to or is owed by Regent Coal (BVI) by way of intercompany balances created during the ordinary course of business; and (ii) procure its related companies to surrender, release or otherwise extinguish any and all monetary amounts that they owe to or are owed by Regent Coal (BVI) by way of intercompany balances created during the ordinary course of business, in each case at Closing by executing the Surrender and Release Agreement.

(e) **Total consideration under the Sale and Purchase Agreement**

The total consideration for the purchase of the Sale Shares under the Sale and Purchase Agreement shall be an amount equal to the aggregate sum of the HK\$ Equivalent of RMB 115 million (or approximately US\$18.12 million or HK\$141.34 million) in cash (the “**Consideration**”), payable by the Purchaser to the Company (or as the Company may otherwise direct) in the following manner:

- (i) an amount equal to the HK\$ Equivalent of RMB 23 million (or approximately US\$3.62 million or HK\$28.24 million), representing 20 per cent of the Consideration, shall be payable and must be paid in cash (in HK\$) by 5:00 p.m. (Hong Kong time) on the second Business Day immediately following the date of the Sale and Purchase Agreement into an account specified and notified by the Company to the Purchaser, by way of a deposit (the “**Deposit**”); and
  - (ii) subject to (1) and (2) below, an amount equal to the HK\$ Equivalent of RMB 92 million (or approximately US\$14.50 million or HK\$113.10 million) (the “**Closing Amount**”), being the difference between the Consideration and the Deposit, shall be payable and must be paid in cash (in HK\$) on Closing into an account specified and notified by the Company to the Purchaser.
- (1) Subject to (2) below, the Closing Amount is payable and must be paid by the Purchaser to the Company (or as the Company may otherwise direct) and deposited in cash and in HK\$ by no later than 5:00 p.m. (Hong Kong time) on the fifth Business Day



immediately following the day of completion of the Purchaser's permitted due diligence period which expires at 5:00 p.m. (Hong Kong time) on the day falling 40 calendar days from (and including) the date of the Sale and Purchase Agreement into a specified account (the "**Closing Amount Account**"), provided that the Closing Amount Account shall be operated by a co-signatory or co-signatories representing (equally) both the Purchaser and the Company in the manner set out in (2) below, and against which the Company undertakes and agrees not to (at all time or times until Closing or its lawful termination of the Sale and Purchase Agreement, as applicable) unilaterally amend or change the co-signatories nominated by the Purchaser.

- (2) The Company and the Purchaser have agreed that following the deposit of all of the Closing Amount into the Closing Amount Account, the Closing Amount, together with any interest accrued thereon, shall be subject to co-signatory arrangements as between the Purchaser and the Company, such that the account balance of the Closing Amount Account shall not and cannot be reduced below a sum equal to the HK\$ Equivalent of RMB 92 million without the co-signatory consent, approval and authorisation of one representative (or signatory) of the Purchaser and the Company respectively.

(f) **Treatment of the Deposit and Closing Amount**

(i) If:

- (1) through no fault of the Purchaser, any condition set out in the Sale and Purchase Agreement is not satisfied on or before 31 March 2012 (the "**Long Stop Date**") (which the parties has acknowledged may be extended by mutual agreement); or
- (2) Closing does not take place on or before the Long Stop Date solely or predominantly by reason of the fact that the Company has elected not to comply, when and in the manner obliged to do so, with its obligations and warranties under the Sale and Purchase Agreement (the Purchaser having complied with its obligations and warranties thereunder); and
- (3) the Sale and Purchase Agreement is lawfully terminated by the Purchaser,

the Company will at 4:00 p.m. (Hong Kong time) on the Long Stop Date or upon actual service of notice of lawful termination from the Purchaser (as the case may require): (i) refund the Deposit and the Closing Amount (if, and to the extent, that it has been paid into and credited in the Closing Amount Account) in full, together with any interest accrued thereon, to the Purchaser by instructing, co-signing (including co-signing the release and transfer of the Closing Amount), remitting and authorising (as applicable)



the transfer of the Deposit and the Closing Amount (if, and to the extent, that it has been paid into and credited in the Closing Amount Account) to and for the benefit of the Purchaser to an account specified by the Purchaser for such transfer; and (ii) if the Purchaser terminates the Sale and Purchase Agreement due to non-performance by the Company contemplated in (f)(i)(2) above, pay or instruct the transfer to the Purchaser of an additional sum equal to the HK\$ Equivalent of RMB 11.5 million.

(ii) If:

(1) Closing takes place; or

(2) Closing does not take place on or before the Long Stop Date solely or predominantly by reason of the fact that the Purchaser has elected not to comply, when and in the manner obliged to do so, with its obligations and warranties under the Sale and Purchase Agreement (the Company having complied with its obligations and warranties thereunder) and the Company terminates the Sale and Purchase Agreement,

then:

(3) in respect of (1) above, the Purchaser will at Closing: (a) instruct, co-sign, remit and authorise the release and transfer of the Closing Amount (or whatever amount is standing to the credit of the Closing Amount Account at that time) from the Closing Amount Account to and for the benefit of the Company to the specified account by the Company for such transfer; and (b) provide the Company with confirmation (in writing) that the Deposit is, effective immediately, the sole property of the Company (or as the Company may otherwise direct) and that the Purchaser has relinquished, surrendered or otherwise forgiven any and all claims whatsoever that it may otherwise have had to all or part of the Deposit; or

(4) in respect of (2) above, at 4:00 p.m. (Hong Kong time) on the Long Stop Date or upon actual service of notice of lawful termination by it to the Purchaser (as the case may require): (a) the Company shall refund the Closing Amount in full, together with any interest accrued thereon, to the Purchaser by instructing, co-signing remitting and authorising (as applicable) the release of the Closing Amount (if, and to the extent, that it has been paid into and credited in the Closing Amount Account) from the Closing Amount Account to and for the benefit of the Purchaser to an account specified by the Purchaser for such transfer; and (b) in respect of the Deposit, the Purchaser will provide the Company with confirmation (in writing) that the Deposit is, effective immediately, the sole property of the Company (or as the Company may otherwise direct) and that the Purchaser has relinquished,



surrendered or otherwise forgiven any and all claims whatsoever that it may otherwise have had to all or part of the Deposit.

- (iii) Each of the parties has acknowledged and agreed that the arrangements set out in (f)(i) and (f)(ii)(2) and (4) above:
- (1) are an integral part of the transactions contemplated in the Sale and Purchase Agreement and that the parties would not have entered into the Sale and Purchase Agreement without the benefit of these provisions; and
  - (2) constitute liquidated damages, or a fair and reasonable estimate of the losses the Company will suffer, and not a penalty.
- (iv) Each party has expressly acknowledged that it has negotiated the above provisions in respect of the "Treatment of the Deposit and Closing Amount" ((f)(i) and (f)(ii)(2) and (4) in particular), and that it has agreed that in light of the circumstances existing at the time of the execution of the Sale and Purchase Agreement, the amount(s) described in (f)(i) and (f)(ii)(2) and (4) are fair and reasonable.

**(g) Conditions**

Completion of the Sale and Purchase Agreement is conditional upon:

- (i) the Company and Regent Coal (BVI) having received all requisite, necessary or desirable regulatory or governmental approvals, authorities, concessions, permits and consents to the Company's sole satisfaction; and
- (ii) each of the Company and the Purchaser (as applicable to it) having performed or complied with in all material respects (save for the payment or settlement of the total Consideration, including the Deposit and the Closing Amount, which the Purchaser must pay or settle in full at the time or times prescribed under the Sale and Purchase Agreement) all other obligations, undertakings and covenants required to be performed or complied with by it on or prior to Closing.

**(h) Pre-Closing obligations**

- (i) During the period from the date of the Sale and Purchase Agreement and continuing until the Closing Date or termination of the Sale and Purchase Agreement, the Company shall continue to cause Regent Coal (BVI) to carry on its business as it sees fit.



- (ii) Under the written request of the Purchaser, the Company will grant the Purchaser and its advisers (including, where requested, its auditor and legal counsel) reasonable and appropriate access to due diligence material, including, without limitation, financial, legal and taxation material, in respect of Regent Coal (BVI) and ACMC for a period commencing on (and including) the date of the Sale and Purchase Agreement and expiring at 5:00 p.m. (Hong Kong time) on the day falling 40 calendar days from (and including) the date thereof.
- (iii) Prior to Closing and in conjunction with the aforementioned due diligence period, the Company will provide the Purchaser's British Virgin Islands legal counsel (to be notified by the Purchaser to the Company) with access to its registered agent in the British Virgin Islands so as to enable the Purchaser's counsel to produce a legal opinion on Regent Coal (BVI) as to its standing and status.
- (iv) Following receipt of the Deposit (in full) from the Purchaser and subject to the ongoing strict compliance of the Purchaser with its obligations in the Sale and Purchase Agreement, the Company has acknowledged and agreed that the Sale and Purchase Agreement is to be on an exclusive basis for a period expiring on the earlier of: (1) termination of the Sale and Purchase Agreement; and (2) Closing, which shall be interpreted to mean that the Company is restricted in its ability to source a potential buyer or buyers from whomever the Company may choose for the duration of such period.

(i) **Closing**

Closing shall take place on the later of: (i) the day falling two months from the date of the Sale and Purchase Agreement; and (ii) the first Business Day following the day on which the condition referred to in (g)(i) above has been satisfied or waived by the Company, or on such other date as may be agreed between the Company and the Purchaser.

(j) **Payment on Closing**

On Closing and against compliance by the Company with the obligations specified in the Sale and Purchase Agreement, the Purchaser shall: (i) transfer the Closing Amount in the manner contemplated in (f)(ii) above; and (ii) confirm (in writing) to the Company that the Deposit and the Closing Amount (to be no less, in monetary terms, than the total Consideration), is, effective from Closing, the sole property of the Company (or as the Company may otherwise direct) and that the Purchaser has relinquished, surrendered or otherwise forgiven any and all claims whatsoever that it may otherwise have had to all or part of the Deposit and/or the Closing Amount.



**(k) Termination**

The Sale and Purchase Agreement may be terminated at any time:

- (i) by mutual written consent of the Company and the Purchaser;
- (ii) by either the Purchaser or the Company, if the Closing shall not have taken place on or before the Long Stop Date;
- (iii) if the Purchaser has complied with its material obligations under the Sale and Purchase Agreement, by the Purchaser, by giving written notice to the Company, if the Company shall have breached or failed to perform any of its representations, warranties, undertakings or obligations under the Sale and Purchase Agreement, which breach or failure to perform: (1) would give rise to the failure of a condition set forth under the “Conditions Precedent” in the Sale and Purchase Agreement; and (2) is incapable of cure or has not been cured within ten Business Days following the giving of written notice of such breach to the Company; or
- (iv) if the Company has complied with its material obligations under the Sale and Purchase Agreement, by the Company, by giving written notice to the Purchaser, if the Purchaser shall have breached or failed to perform any of its representations, warranties, undertakings or obligations under the Sale and Purchase Agreement, which breach or failure to perform: (1) would give rise to the failure of a condition set forth under the “Conditions Precedent” in the Sale and Purchase Agreement; and (2) is incapable of cure or has not been cured within ten Business Days following the giving of written notice of such breach to the Purchaser.

**(l) Limitation of liabilities**

- (i) In the event that Closing occurs, the Company shall not be liable for, and the Purchaser, its affiliates, directors, officers and employees shall not be entitled to, any damages or other amounts whatsoever, including, for the avoidance of doubt, any liability for any breach of the Sale and Purchase Agreement by the Company at or prior to Closing.
- (ii) In the event that Closing does not occur, the Company shall not be liable for, and the Purchaser, its affiliates, directors, officers and employees shall not be entitled to, any damages or other amounts in respect of consequential or indirect loss, including, without limitation, loss of bargain or loss of profit, for any breach of the Sale and Purchase Agreement by the Company, with any residual claim of the Purchaser, its





affiliates, directors, officers or employees being only for reasonable costs and expenses incurred by the Purchaser capped in respect of any and all such claims at US\$20,000 (in aggregate).

**(m) Purchaser's knowledge**

The Company shall not be liable under the Sale and Purchase Agreement for breach of any of the warranties given by it in the agreement where the Purchaser and/or the Purchaser's advisers had knowledge of the relevant matters giving rise to such breach as the date of the Sale and Purchase Agreement.

Without prejudice to the generality of the foregoing, the Purchaser confirms that it has entered into the Sale and Purchase Agreement with the full knowledge of the legal proceedings that have been commenced by Beijing Baocheng Financing and Investment Consulting Co., Ltd. against APMC for the performance of a consultancy and agent service contract entered into on or about 27 June 2007 between Beijing Baocheng Financing and Investment Consulting Co., Ltd. and Chen Minhua (in the name of APMC), details of which were disclosed in the Company's latest published annual report for the year ended 31 December 2010.

The entire issued share capital of Regent Coal (BVI) (which then held various projects including a 51 per cent interest in the Ji Ri Ga Lang Coal Project) was acquired by the Company pursuant to a share purchase agreement dated 4 September 2007 (as amended by an amendment agreement dated 14 September 2007) and the offers made on 12 October 2007 (as detailed in the circular issued by the Company on 22 November 2007), which completed on 14 December 2007.

The Disposal will provide the Company with total proceeds (before expenses) of US\$18.12 million (or approximately HK\$141.34 million), which will be applied towards other investments as well as working capital.

The Disposal will generate a net realised gain before expenses of approximately US\$3.40 million (or approximately HK\$26.52 million), as detailed in the paragraph titled "Financial effects of the Disposal on the Group".

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

**As completion of the Disposal is subject to the fulfilment of a number of conditions, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**



## **Basis of consideration**

The total consideration was determined on the basis of normal commercial terms and arm's length negotiations between the parties with reference to, *inter alia*: (i) the amount and quality of the coal held pursuant to the Ji Ri Ga Lang Exploration Licence, (ii) the expected time taken to obtain the necessary approvals to undertake mining on the project area, and (iii) the outlook for thermal coal in the PRC.

Accordingly, the Directors believe that the total consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **Use of proceeds**

The net proceeds to be received from the Disposal will be used by the Company for investment and working capital purposes.

## **Reasons for the Disposal**

The Company has been considering the divestment of its interest in the Ji Ri Ga Lang Coal Mine for some time due to the difficulty and lengthy process involved in obtaining the necessary permits in the PRC to undertake mining at the Ji Ri Ga Lang Coal Mine. The Disposal will allow the Company to unlock capital tied up with the Ji Ri Ga Lang Coal Mine that can be made available for other potential investment opportunities.

The proceeds of the Disposal will be used by the Group to explore other potential business opportunities in order to enhance Shareholders' value.

The Directors consider the Disposal 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 Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Financial effects of the Disposal on the Group**

To consider the financial effects of the Disposal on a standalone basis, the Group would expect to realise a net profit before expenses for the Disposal of approximately US\$3.40 million (or approximately HK\$26.52 million), calculated by deducting the Consideration from the value (book value) of the Company's Interest in Ji Ri Ga Lang Coal Project as included in the Company's latest unaudited interim report for the period ended 30 June 2011, being US\$14.65 million (or approximately HK\$114.27 million), comprising goodwill of approximately US\$7.39 million (or approximately HK\$57.64 million), exploration and evaluation assets of approximately



US\$9.64 million (or approximately HK\$75.19 million) and consolidated liabilities of approximately US\$2.38 million (or approximately HK\$18.56 million).

The Group also expects that the amount of the realised net profit that will be recognised in the income statement will be different from the amount disclosed above because the amounts of exploration and evaluation assets and consolidated liabilities will have changed during the period from 30 June 2011.

Regent Coal (BVI) has produced a consolidated net loss (both before and after taxation and extraordinary items) of approximately US\$0.38 million (or approximately HK\$2.96 million) for the year ended 31 December 2010 and approximately US\$2.46 million (or approximately HK\$19.19 million) for the year ended 31 December 2009, and Regent Coal (BVI) had consolidated net assets of US\$17.27 million (or approximately HK\$134.71 million) at 31 December 2010 and consolidated net assets of US\$44.63 million (or approximately HK\$348.11 million) at 31 December 2009.

The Disposal does not have any effect on the liabilities of the Company.

Following Completion, the Company will cease to have any interests in Regent Coal (BVI) and, in turn, ACMC.

### **Finder's Fee Agreement**

On 20 December 2011, Regent Coal (BVI) entered into the Finder's Fee Agreement with the Finder, as finder, pursuant to which in consideration of the Finder introducing the ultimate third party buyer to Regent Coal (BVI) and in procuring the execution and completion of a sale and purchase agreement for the contemplated disposal, Regent Coal (BVI) agreed to pay the Finder a commission equal to 5 per cent of such aggregate sale price.

The payment of the commission, which shall be settled by the Company, shall be subject to and conditional upon completion of the Sale and Purchase Agreement and the receipt (in full) of the total Consideration payable thereunder.

### **Discloseable transaction**

In view of the fact that the aggregate amount of consideration receivable by the Company for the Disposal, being RMB 115 million (or approximately US\$18.12 million or HK\$141.34 million), exceeds 5 per cent but is less than 25 per cent of the Company's market capitalization, the Disposal 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 details of the Disposal in accordance with the HK Listing Rules.

### **Not a connected transaction**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Finder, the First Buyer and the Second Buyer and their respective associate(s) is a third party independent from the Company and is not a connected person of the Group.

### **Ji Ri Ga Lang Coal Mine**

The exploration business of the Ji Ri Ga Lang Coal Mine, which is located in Bayanchagan Town, Abagaqi, Inner Mongolia, is conducted by APMC pursuant to the coalfield exploration licence (Licence number: T01120080701011493) for conducting geological exploration over the Ji Ri Ga Lang Coal Mine, for the term from 9 June 2011 to 9 June 2013, which covers an exploration area of 14.57 square kilometres.

APMC is owned as to 51 per cent by Regent Coal (BVI), and the remaining 49 per cent is owned by two Chinese shareholders (namely Chen Minhua as to 26.13 per cent and Li Yun as to 22.87 per cent).

As disclosed in the Company's latest published interim report for the six months ended 30 June 2011, APMC is continuing to progress the conversion of its existing exploration licence into a mining licence. Pending the application process for licence conversion, there were minimal exploration activities and expenditure incurred on the project site during the first half of 2011. The current resource of thermal coal stands at 92.2 million tonnes in accordance with the JORC Code. The 92.2 million tonnes resource is allocated in the measured and indicated categories, 87 per cent of which is a measured resource. The planned production rate is 3 million tonnes of thermal coal per annum with a mine life over 25 years.

### **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, primarily, on the Asian region. Its principal assets are located in Yunnan Province and Inner Mongolia, China. The Company also has passive interests in a number of mining companies, including BC Iron Limited (22.65%) and Venturex Resources Limited (28.88%).



## The Purchaser

Both the First Buyer and the Second Buyer are PRC residents with domicile address in Inner Mongolia and Beijing, the PRC respectively.

## Definitions

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

<b>“ACMC”</b>	Abagaqi Changjiang Mining Co., Ltd., a company registered in Abagaqi, Inner Mongolia, which holds and conducts the Ji Ri Ga Lang Coal Project
<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“Board”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day which is not a Saturday, Sunday or a public holiday in Hong Kong or Beijing
<b>“China” or “PRC”</b>	Peoples’ Republic of China
<b>“Closing”</b>	the closing of the Sale Purchase Agreement
<b>“Closing Amount”</b>	has the meaning given to it in the paragraph titled “Total Consideration under the Sale and Purchase Agreement”
<b>“Closing Amount Account”</b>	has the meaning given to it in the paragraph titled “Total Consideration under the Sale and Purchase Agreement”
<b>“Closing Date”</b>	the date on which Closing takes place
<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>“Consideration”</b>	has the meaning given to it in the paragraph titled “Total Consideration under the Sale and Purchase Agreement”
<b>“Deposit”</b>	has the meaning given to it in the paragraph titled “Total Consideration under the Sale and Purchase Agreement”
<b>“Director(s)”</b>	the directors of the Company
<b>“Disposal”</b>	the disposal by the Company of the Sale Shares, being the entire issued share capital of Regent Coal (BVI), to the First Buyer and the Second Buyer (as to 40:60 ownership), together with the consummation of the other transactions contemplated in the Sale and Purchaser Agreement, on and subject to the terms and conditions set out in the Sale and Purchase Agreement
<b>“Finder”</b>	Ye Ying, a PRC resident
<b>“Finder’s Fee Agreement”</b>	the finder’s fee agreement entered into on 20 December 2011 by Regent Coal (BVI) with the Finder as finder relating to the introduction of the ultimate third party buyer of the equity interests in APMC and/or the Ji Ri Ga Lang Coal Project
<b>“First Buyer”</b>	Wang Hongyu, a PRC resident
<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>“HK\$ Equivalent”</b>	the equivalent amount of HK\$ in respect of RMB stipulated in the Sale and Purchase Agreement using the relevant HK\$:RMB exchange rate published by The Hongkong and Shanghai Banking Corporation Limited in Hong Kong on the last day (which must be a Business Day) immediately preceding the day on which the relevant payment is due



<b>“Ji Ri Ga Lang Coal Mine”</b>	the Ji Ri Ga Lang coal mine in Bayanchagan Town, Abagaqi, Inner Mongolia
<b>“Ji Ri Ga Lang Coal Project”</b>	the exploration business conducted by ACMC pursuant to the Ji Ri Ga Lang Exploration Licence
<b>“Ji Ri Ga Lang Exploration Licence”</b>	the coalfield exploration licence (Licence number: T01120080701011493) held by ACMC for conducting geological exploration over the Ji Ri Ga Lang Coal Mine, for the term from 9 June 2011 to 9 June 2013, which covers an exploration area of 14.57 square kilometres
<b>“Long Stop Date”</b>	31 March 2012 or in any event, such other date as may be agreed between the Company and the Purchaser
<b>“Purchaser”</b>	First Buyer and Second Buyer, jointly and severally
<b>“Regent Coal (BVI)”</b>	Regent Coal (BVI) Limited (formerly known as “CCEC Ltd.”), a company incorporated in the British Virgin Islands, which holds a 51 per cent interest in ACMC (which in turn holds and conducts the Ji Ri Ga Lang Coal Project)
<b>“RMB”</b>	Renminbi, the lawful currency in China
<b>“Sale and Purchase Agreement”</b>	the sale and purchase agreement entered into on 21 December 2011 between: (i) the Company as seller; and (ii) the First Buyer and the Second Buyer as purchaser relating to the sale and purchase of the entire issued share capital in Regent Coal (BVI)
<b>“Sale Shares”</b>	263,241.74249462 ordinary shares of no par value in Regent Coal (BVI), being its entire issued share capital
<b>“Second Buyer”</b>	Yao Guangyi, a PRC resident
<b>“Share(s)”</b>	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



**“Surrender and Release Agreement”**

the agreement to be entered into at Closing between the Company, Regent Coal (BVI) and their associated companies, pursuant to which such entities will agree to surrender, release and otherwise extinguish any and all monetary amounts that they owe to or are owed by Regent Coal (BVI) by way of intercompany balances created during the ordinary course of business among the group companies involved, representing (upon aggregation) a net asset or receivable to Regent Coal (BVI) as at the Closing Date

**“US\$”**

United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ and RMB using the exchange rate of US\$1.00 = HK\$7.80 and RMB 6.3466 respectively.

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*)

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, 21 December 2011