



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 0575

14 April 2011

ANNOUNCEMENT

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DEBT FINANCE REINSTATED FOR TRANSACTION BOARD RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE TRANSACTION DELAY IN DESPATCH OF THE CIRCULAR RELATING TO VERY SUBSTANTIAL ACQUISITION RESUMPTION OF TRADING

SUMMARY

Debt finance for the purpose of the acquisition of BCI by way of the Scheme has been reinstated. The Company will proceed with the Transaction in accordance with the terms of the SIA with BCI, and the Board will recommend that the Company's shareholders vote in favour of the Transaction.

Investors and shareholders alike should continue to exercise caution in respect of the implementation of the Scheme given the conditions that continue to attach to the Transaction.





Given the delays which have occurred as a result of the proceedings in the Australian Takeovers Panel and the negotiations to reinstate the debt finance, the despatch date of the Circular will be postponed to no later than 13 May 2011.

The Shares were, at the Company's request, suspended from trading on the HK Stock Exchange with effect from 9:00 a.m. on Thursday, 14 April 2011, pending the publication by the Company of this announcement. The Company has made an application to the HK Stock Exchange for resumption of trading of its Shares with effect from 9:00 a.m. on Friday, 15 April 2011.

Regent Pacific Group Limited (the "**Company**") refers to the announcements issued by the Company on 20, 21 and 25 January 2011 (the "**Announcements**") in respect of the proposed conditional all cash takeover offer for BC Iron Limited ("**BCI**") by way of a scheme of arrangement ("**Scheme**") by Regent Pilbara Pty Limited (a wholly-owned subsidiary of the Company) ("**Regent Pilbara**").

Capitalised terms used in this announcement shall have the same meaning given to them in the Announcements (unless otherwise defined herein).

The Company refers to the announcement issued by the Company on 6 April 2011 in relation to the scheme implementation agreement dated 20 January 2011 between the Company and BCI ("**SIA**"). The Australian Takeovers Panel made a declaration of "unacceptable circumstances" in relation to the termination of the SIA by the Company announced on 15 March 2011 and an order that the Company cannot rely on its contractual right of termination which was not disclosed to the market when the Transaction was announced.

Reinstatement of debt finance and financial advisory mandate

As at 6 April 2011, the debt finance to fund the consideration payable under the Scheme had ceased to be available. Following the orders of the Australian Takeovers Panel, the Company initiated discussions with Standard Chartered Bank (Hong Kong) Limited ("**SCB**") and Westpac Banking Corporation with a view to reinstating the debt finance facility.

The Company is pleased to announce that the Company has, on 14 April 2011, executed a binding mandate letter with SCB and Westpac Banking Corporation, as co-lenders and mandated lead arrangers, with material terms and conditions scheduled thereto ("**Finance Documents**"), in respect of the provision of up to US\$155 million (or approximately HK\$1,209 million) of debt finance for the purpose of the Scheme ("**Debt Facility**"). The Finance



Documents are on substantially similar terms to the finance documents which were previously in place with SCB for the purposes of funding for the Scheme.

Accordingly, the condition to the SIA concerning the continued availability of debt finance remains satisfied as at the date of this announcement. The Company will continue to comply with its obligations under the SIA in relation to the implementation of the Scheme.

Regent Pilbara will act as borrower to the Debt Facility and the Company will act as guarantor.

Further particulars of the Debt Facility, together with the security to be provided to SCB and Westpac Banking Corporation, will be set out in the very substantial acquisition circular to be issued by the Company to shareholders in relation to the Scheme (“**Circular**”).

In association with the reinstatement of the Debt Facility, SCB’s position as the Company’s financial advisor in respect of the Transaction has also been reinstated.

Recommendation of the Transaction

The withdrawal of the Board’s recommendation in relation to the Transaction was announced by the Company on 15 March 2011 for the reasons then stated. The Board was (and is) permitted under the SIA to change or withdraw its recommendation where the Board decided in good faith, having received a specific written legal opinion from Australian Senior Counsel on the matter, that its fiduciary and statutory duties to the Company (including having regard to the best interests of the Company’s shareholders) require it to withdraw its recommendation in respect of the proposed Transaction. As at 15 March 2011, these requirements were satisfied.

The contractual provisions of the SIA permit the Company to terminate the SIA where the Board changes its recommendation. Termination of the SIA would allow the Company to avoid the significant expenditure of monetary and other resources associated with prosecuting the Scheme. This ability to save what the Board considered to be futile expenditure was a fundamental element supporting the Board’s decision to withdraw its recommendation for the Transaction.

The declaration by the Australian Takeovers Panel of “unacceptable circumstances” and its consequential orders preclude the Company from relying on its contractual right to terminate the SIA in the event the Board changes or withdraws its recommendation in relation to the Transaction, with the result that a change of Board recommendation does not allow the Company to avoid the expenditure of monetary and other resources.

In light of these matters, and also taking into account public statements from the major shareholder in BCI, Consolidated Minerals Pty Limited, with respect to its position, the Board



has decided to change its withdrawn recommendation in respect of the Transaction and now recommends that the Company's shareholders vote in favour of the Transaction. All Directors of the Company intend to vote any Company shares in respect of which they have the power to direct a vote in favour of the resolutions to be put to shareholders in relation to the Transaction. Such recommendation by the Board, and the stated voting intention of the Company's Directors, are each subject to the circumstances in which the Board may change or withdraw its recommendation or the Company's Directors may change their voting intentions in accordance with clause 10.2 of the SIA.

Delay in despatch of circular relating to very substantial acquisition

The Company refers to the announcement issued by the Company on 28 February 2011 that, as additional time was required for the Company to prepare certain information to be included in Circular, the despatch date for the Circular would be postponed to no later than 15 April 2011.

Given the delays which have occurred as a result of the proceedings with the Australian Takeovers Panel, the negotiations to reinstate the debt finance and the additional time required by the Company to prepare and finalize certain information required for the Circular, the despatch date of the Circular will be postponed to no later than 13 May 2011.

Conditions to the Transaction remain

As completion of the acquisition of BCI by way of the Scheme remains subject to the fulfilment of a number of conditions, the Scheme may or may not proceed (refer to the BCI announcement of 22 March 2011 which attached the SIA for full details of these conditions and SIA termination events). The Company therefore cautions persons trading in any securities of BCI or the Company that there can be no assurance that the Scheme will be implemented.

The Company looks forward to the resumption of the Scheme approvals process and, given a successful outcome, intends to continue to work closely with the management and staff of BCI.



Resumption of trading

The shares of the Company ("**Shares**") were, at the Company's request, suspended from trading on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") with effect from 9:00 a.m. on Thursday, 14 April 2011, pending the publication by the Company of this announcement. The Company has made an application to the HK Stock Exchange for resumption of trading of its Shares with effect from 9:00 a.m. on Friday, 15 April 2011.

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*)
David Comba[#]
Julie Oates[#]
Mark Searle[#]
Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 14 April 2011