



# Regent Pacific Group Limited

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

Stock Code: 0575

1 September 2014

## ANNOUNCEMENT

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### DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF NEW SHARES IN PLETHORA SOLUTIONS HOLDINGS PLC

#### 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 and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company refers to the interim results announcement (for the period to 30 June 2014), the Placing and Subscription announcement and notice of general meeting, together with the associated shareholders' circular, of Plethora, each dated and released publicly after market close in Hong Kong on 29 August 2014.

Plethora announced on 29 August 2014 (after market close in Hong Kong) that it has entered into agreements to conditionally raise approximately GBP 15,929,864 (or approximately US\$26,443,574 or HK\$206,259,877) by way of the Placing and Subscription for a total of 176,998,486 new ordinary shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share and 88,499,236 Fundraising Warrants each exercisable at GBP 0.15 (or approximately US\$0.25 or HK\$1.95).





Following the publication and, where applicable, dispatch of Plethora's interim results announcement (for the period to 30 June 2014), the Placing and Subscription announcement and notice of general meeting, together with the associated shareholders' circular after market close in Hong Kong on 29 August 2014, the Company is pleased to announce that on 29 August 2014 (after market close in Hong Kong) it executed the Subscription Agreement with Plethora, pursuant to which it has conditionally agreed to subscribe for up to 25,299,490 new Plethora Shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in cash and 12,649,745 Fundraising Warrants each exercisable at GBP 0.15 (or approximately US\$0.25 or HK\$1.95) in addition to the Placing and Subscription, for an aggregate consideration of GBP 2,276,954 (or approximately US\$3,779,744 or HK\$29,482,003).

Following completion of the Company's subscription and the Placing and Subscription, the aggregate amount of monies raised by Plethora will be approximately GBP 18,206,818 (or approximately US\$30,223,318 or HK\$235,741,880) before expenses.

It is expected that the Subscription Agreement will complete at the same time as the Placing and Subscription, with the trading of the relevant new Plethora Shares on AIM to commence, on or around 19 September 2014.

Prior to entering into the Subscription Agreement, the Company held 61,500,000 Plethora Shares, representing approximately 14.81 per cent of the existing issued share capital of Plethora.

Following completion of the Company's subscription and the Placing and Subscription (and before considering the conversion of any outstanding loans or other convertibles as referred to in the paragraph headed "Convertibles of Plethora" below and the exercise of any outstanding share options over Plethora Shares), the Company will hold 86,799,490 Plethora Shares, representing approximately 14.05 per cent of the enlarged issued share capital of Plethora.

The subscription of up to 25,299,490 new Plethora Shares and 12,649,745 Fundraising Warrants pursuant to the Subscription Agreement, either in isolation or when viewed in aggregate with the Company's prior subscriptions and on-market acquisition of Plethora Shares, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**



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 and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **Subscription of new shares in Plethora**

The Company refers to the interim results announcement (for the period to 30 June 2014), the Placing and Subscription announcement and notice of general meeting, together with the associated shareholders' circular, of Plethora, each dated and released publicly after market close in Hong Kong on 29 August 2014.

Plethora announced on 29 August 2014 (after market close in Hong Kong) that it has entered into agreements to conditionally raise approximately GBP 15,929,864 (or approximately US\$26,443,574 or HK\$206,259,877), before expenses by way of the Placing and Subscription for a total of 176,998,486 new ordinary shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share and 88,499,236 Fundraising Warrants each exercisable at GBP 0.15 (or approximately US\$0.25 or HK\$1.95).

Following the publication and, where applicable, dispatch of Plethora's interim results announcement (for the period to 30 June 2014), the Placing and Subscription announcement and notice of general meeting, together with the associated shareholders' circular, after market close in Hong Kong on 29 August 2014, the Company is pleased to announce that on 29 August 2014 (after market close in Hong Kong) it executed the Subscription Agreement with Plethora, pursuant to which it has conditionally agreed to subscribe for up to 25,299,490 new Plethora Shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in cash and 12,649,745 Fundraising Warrants each exercisable at GBP 0.15 (or approximately US\$0.25 or HK\$1.95) in addition to the Placing and Subscription, for an aggregate consideration of GBP 2,276,954 (or approximately US\$3,779,744 or HK\$29,482,003).

Following completion of the Company's subscription and the Placing and Subscription, the aggregate amount of monies raised by Plethora will be approximately GBP 18,206,818 (or approximately US\$30,223,318 or HK\$235,741,880), before expenses.

The proceeds of the fundraising by Plethora, including the subscription by the Company (as detailed herein) will be used:

- to fund the payments to Shionogi, Paul Capital and the Original Patent Holder for PSD502™ pursuant to the Cessation Agreements and the Patent Transfer Agreement. This will result in Plethora owning the entire economic benefit of all revenue streams generated from PSD502™ in the future on a global basis;



- to finance the ongoing costs of the processes required to prepare an NDA and file and prosecute this with the FDA;
- to finance the ongoing costs of the manufacturing and development work with PSNW for a new 6 dose can; and
- to provide ongoing working capital for Plethora.

It is expected that the Subscription Agreement will complete at the same time as the Placing and Subscription, with the trading of the relevant new Plethora Shares on AIM to commence, on or around 19 September 2014.

The new Plethora Shares to be issued pursuant to the Subscription Agreement, as well as the Placing and Subscription, shall be credited as fully paid up and shall rank pari passu with the existing Plethora Shares in issue, including the right to receive any dividends and other distributions declared following their admission to AIM. The terms of the Subscription Agreement, as well as the Placing and Subscription, do not impose any restriction to the subsequent sale of any of the Company's newly subscribed Plethora Shares on AIM.

Prior to entering into the Subscription Agreement, the Company held 61,500,000 Plethora Shares, representing approximately 14.81 per cent of the existing issued share capital of Plethora, being: (i) 57,500,000 Plethora Shares subscribed for by participation of the previous placings of Plethora during the period from October 2011 to October 2013 for an aggregate amount of cash consideration of GBP 2,571,155 (or approximately US\$4,268,117 or HK\$33,291,313) (details of the subscriptions by the Company having been announced by the Company on 15 October 2013); and (ii) 4,000,000 Plethora Shares acquired on 10 January 2014 by an on-market transaction for the consideration of GBP 433,024 (or approximately US\$718,820 or HK\$5,606,796).

Further, it is noted that:

- James Mellon (the Company's Non-Executive Co-Chairman of the Board), being the non-executive chairman of the board of Plethora, currently, together with his associates, holds 59,012,808 Plethora Shares, representing approximately 14.21 per cent of the existing issued share capital of Plethora; and
- Mark Searle (the Company's Independent Non-Executive Director) currently, together with his associates, holds 1,700,000 Plethora Shares, representing approximately 0.41 per cent of the existing issued share capital of Plethora.



Both James Mellon and Mark Searle and their respective associates will not participate in the Placing.

Following completion of the Company's subscription and the Placing and Subscription (and before considering the conversion of any outstanding loans or other convertibles as referred to in the paragraph headed "Convertibles of Plethora" below):

- the Company will hold 86,799,490 Plethora Shares, representing approximately 14.05 per cent of the enlarged issued share capital of Plethora;
- James Mellon will, together with his associates, continue to hold 59,012,808 Plethora Shares, representing approximately 9.56 per cent of the enlarged issued share capital of Plethora; and
- Mark Searle will, together with his associates, continue to hold 1,700,000 Plethora Shares, representing approximately 0.28 per cent of the enlarged issued share capital of Plethora.

The subscription of up to 25,299,490 new Plethora Shares and 12,649,745 Fundraising Warrants pursuant to the Subscription Agreement, either in isolation or when viewed in aggregate with the Company's prior subscriptions and on-market acquisition of Plethora Shares, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

## Conditions

The Subscription Agreement, together with the Placing and Subscription, is conditional, *inter alia*, upon:

- the approval of the resolutions to be proposed at a general meeting of Plethora on 17 September 2014 (or such later time as may be agreed);
- Plethora entering into the European Licensing Agreement, materially on the terms set out in Plethora's Placing and Subscription announcement and shareholders' circular each dated 29 August 2014, with the European Partner;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms on or before 8.00 a.m. (UK time) on 19 September 2014 (or such later date not being later than 8 October 2014 or as may be determined); and



- the admission to trading on AIM of the Plethora Shares to be placed occurring not later than 8:00 a.m. (UK time) on 19 September 2014 (or by such later date not being later than 8 October 2014 or as may be determined).

Furthermore, the Subscription Agreement is, in effect, conditional upon the Placing and Subscription, the Placing and Subscription are, in effect, conditional on each other and the Placing and Subscription are, in effect, conditional on completion of the Cessation Agreements. In particular, if the European Licensing Agreement is not entered into as provided above, then the Subscription Agreement, together with the Placing and Subscription, will lapse and the arrangements described herein for Plethora to own the entire economic benefit of PSD502™ revenue streams on a global basis will, accordingly, fall away.

### **Warrants to be issued under the Placing**

New Plethora Shares subscribed for under the Subscription Agreement, as well as the Placing and Subscription, also afford the holders new Fundraising Warrants in the ratio of one Fundraising Warrant for every two new Plethora Shares subscribed for. Accordingly, an aggregate of 101,148,981 Fundraising Warrants are to be issued and allotted under the Subscription Agreement, as well as the Placing and Subscription (with fractional entitlements forfeited), of which 12,649,745 Fundraising Warrants are to be issued and allotted to the Company.

Each Fundraising Warrant will give the holder the right, but not the obligation, to acquire one new Plethora Share at an exercise price of GBP 0.15 (or approximately US\$0.25 or HK\$1.95) at any time prior to the earlier of 19 September 2019 and 30 days after the date on which Plethora gives the relevant warrant holder notice of the change of control.

The Fundraising Warrants are freely transferable and will be issued in certificated format. It is anticipated that certificates for the Fundraising Warrants will be posted within 10 days of admission to trading of the new Plethora Shares on AIM. No application will be made for the Fundraising Warrants to be admitted to trading on AIM.

### **Convertibles of Plethora**

It is noted that apart from the Fundraising Warrants, Plethora currently has:

- (i) outstanding convertible loan notes of the aggregate principal amount of GBP 800,000 (or approximately US\$1,328,000 or HK\$10,358,400) due on 31 December 2014 held by independent third parties, with the interest rate (as revised) prevailing at 14 per cent, which, together with their accrued interest (if calculated up to maturity), are convertible into



50,279,452 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.03 or HK\$0.23) per Plethora Share;

- (ii) a loan of the outstanding principal amount of GBP 769,595 (or approximately US\$1,277,528 or HK\$9,964,718) owed to an independent investment fund, which is repayable on 31 March 2015 carrying a redemption premium of 25 per cent with the interest rate (as revised) prevailing at 14 per cent and is, together with their accrued interest (if calculated up to maturity), convertible into up to 59,316,779 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.03 or HK\$0.23) per Plethora Share at the option of the lender;
- (iii) a loan of the principal amount of GBP 850,000 (or approximately US\$1,411,000 or HK\$11,005,800) owed to a company wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary, which is repayable on 31 March 2015 carrying a redemption premium of 25 per cent with the interest rate (as revised) prevailing at 14 per cent and is, together with their accrued interest (if calculated up to maturity), convertible into up to 65,514,041 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.03 or HK\$0.23) per Plethora Share at the option of the lender;
- (iv) two bridge loans of the principal amounts of GBP 350,000 (or approximately US\$581,000 or HK\$4,531,800) and GBP 200,000 (or approximately US\$332,000 or HK\$2,589,600) respectively owed to James Mellon, which are repayable on 31 March 2015 carrying redemption premiums of 70 per cent and 33 per cent respectively with the interest rate (as revised) prevailing at 10 per cent and are, together with their accrued interest (if calculated up to maturity), convertible into up to 33,393,836 new Plethora Shares and 15,382,192 new Plethora Shares respectively, each at a price of GBP 0.02 (or approximately US\$0.03 or HK\$0.23) per Plethora Share at the option of James Mellon;
- (v) outstanding share options in respect of an aggregate of 563,103 Plethora Shares at the exercisable prices ranging from GBP 0.59 to GBP 2.02 under Plethora's executive share option scheme (which are currently out of money) and outstanding share awards in respect of an aggregate of 17,100,000 Plethora Shares under Plethora's long term incentive plan;
- (vi) a warrant attached to the loan referred to in (ii) above, entitling the holder to subscribe, at the nominal value of GBP 0.01 (or approximately US\$0.02 or HK\$0.16) per Plethora Share, for up to 3 per cent of Plethora's fully-diluted share capital (which would be 31,294,821 new Plethora Shares if calculated up to maturity of the loan), which is exercisable at any time at the discretion of the lender on or before 31 March 2023; and



- (vii) a warrant attached to the loan referred to in (iii) above, entitling the holder to subscribe, at the price of GBP 0.0125 (or approximately US\$0.02 or HK\$0.16) per Plethora Share, for up to 5 per cent of Plethora's fully-diluted share capital (which would be 52,158,035 new Plethora Shares if calculated up to maturity of the loan), which is exercisable at any time at the discretion of the lender on or before 31 March 2023.

As noted above, James Mellon and Mark Searle currently, together with their associates, hold 59,012,808 Plethora Shares and 1,700,000 Plethora Shares, representing approximately 14.21 per cent and 0.41 per cent of the existing issued share capital of Plethora respectively, and both James Mellon and Mark Searle and their respective associates will not participate in the Placing and Subscription.

Assuming all the above-referenced convertible loan notes and loans, together with their accrued interest (if calculated as at up to maturity), and all the Fundraising Warrants, warrants attached to the loans and outstanding share awards were converted into new Plethora Shares (but before the exercise of the outstanding share options (as referred to above), which are currently out of money):

- the Company will hold 99,949,235 Plethora Shares (including 500,000 new Plethora Shares to be issued to the Company upon vesting of an outstanding share award held by the Company under Plethora's long term incentive plan (as referred to in Item (v) of the paragraph headed "Convertibles of Plethora" above)), representing approximately 9.58 per cent of the enlarged issued share capital of Plethora on a fully-diluted basis;
- James Mellon, together with his associates, will hold 225,460,912 Plethora Shares, representing approximately 21.61 per cent of the enlarged issued share capital of Plethora on a fully-diluted basis; and
- Mark Searle, who does not hold any interests in the above convertibles, will, together with his associates, continue to hold 1,700,000 Plethora Shares, representing approximately 0.16 per cent of the enlarged issued share capital of Plethora on a fully-diluted basis.

### **Basis of consideration**

The consideration payable in respect of the subscription of up to 25,299,490 new Plethora Shares and 12,649,745 Fundraising Warrants pursuant to the Subscription Agreement has been determined on normal commercial terms and negotiated on an arm's length basis between the relevant parties, by reference to the prevailing market price of Plethora Shares on AIM. The subscription price of GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in respect of each of the new Plethora Shares subscribed for by the Company under the Subscription Agreement represents a discount of 15.29 per cent to the closing price of GBP



0.10625 of Plethora Shares on AIM on 28 August 2014, its last day trading prior to the date of the Subscription Agreement.

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

In respect of the Company's projected interests in Plethora, the Company's attributable share (being 14.05 per cent upon completion of the Subscription Agreement, together with the Placing and Subscription, but before considering the conversion of any outstanding loans or other convertibles as referred to in the paragraph headed "Convertibles of Plethora" above) of Plethora's: (i) net loss for the financial year ended 31 December 2013 from continued operations is GBP 1,230,078 (or approximately US\$2,041,929 or HK\$15,927,046); and (ii) net loss for the financial year ended 31 December 2012 from continued operations is GBP 397,053 (or approximately US\$659,108 or HK\$5,141,042), both before and after taxation.

The net liability value of Plethora was GBP 8,107,000 (or approximately US\$13,457,620 or HK\$104,969,436) as at 30 June 2014, as set out in Plethora's last published interim report for the period ended 30 June 2014.

### **Background on Plethora**

Prior to entering into the Subscription Agreement, the Company held a 14.81% interest in Plethora, whose shares are listed on AIM (AIM: PLE). With effect from 1 January 2014 and in recognition of the Company's significant investment, Jamie Gibson (the Executive Director and Chief Executive Officer of the Company) was appointed as CEO of Plethora and tasked with the driving the company's successful commercialization of PSD502™.

Plethora was founded in 2004 to develop a number of pharmaceutical products in the area of sexual health. At the centre of this development portfolio was PSD502™, a treatment for premature ejaculation. At the time, Plethora acquired a global exclusive licence over all intellectual property related to PSD502™ from the Original Patent Holder in return for a 5% royalty on future sales.

PSD502™ is now the sole focus of Plethora's activity as its directors believe PSD502™ has significant potential value based on the prevalence of premature ejaculation and the lack of a widely available effective treatment. Against this backdrop, Plethora has made significant progress in a number of areas in the recent past in order to maximise the potential value of the treatment:



### *Regulatory*

On 15 November 2013, Plethora was granted a marketing authorisation for PSD502™ from the EMA. This was a significant event in the development of the business following many years of research, investment in clinical studies and the preparation of regulatory dossiers. This marketing authorisation enabled Plethora to commence negotiations with potential partners for the commercial exploitation of PSD502™ in the EU.

Plethora has already commenced preparations for a New Drug Application to the FDA. In the first quarter of 2014, Plethora and its consultants had an initial guidance meeting with the FDA to discuss the proposed NDA. Plethora is working towards submitting the NDA by the end of 2015, following which the PDUFA timeline is usually set at a 10-month period for approval of the NDA. Taking this 10-month timeline for NDA approval beginning when Plethora submits the NDA to the FDA, the date for approval (the PDUFA date) would be Q4 2016. The PDUFA date is a target date for the FDA, but the agency can, and many times does, announce a decision prior to the PDUFA date.

### *Manufacturing partnership*

In March 2014, Plethora announced that it had entered into an agreement with PSNW to develop a new six dose canister and establish a production line for the manufacture of PSD502™, allowing Plethora to achieve optimal price points per unit sold in accordance with the advice provided by specialist marketing consultants. This manufacturing partnership was a key development in the process of bringing PSD502™ to market in the EU and assisting in the submission of the NDA in the US.

Work on the development of a new six dose canister has been completed enabling the commencement of the next phase, which is a 5 litre pilot study followed by 3 100 litre GMP batch stability and validation studies that are scheduled to complete by the end of this year.

Following the completion of the GMP batch stability and validation studies at the end of 2014, an application will be submitted to the EMA for an approval of a variation of the existing marketing authorisation for a new 6 six dose can. Plethora now expects CHMP approval to be granted during Q3 of 2015 because, on 21 March 2014, EMA changed its guidelines for stability testing related to variation applications made after 21 September 2014. The new guidelines require 6 months stability data on GMP batches rather than the previous 3 months under the old guidelines. It is this varied marketing authorisation that will pave the way to the commercial launch of the product in Europe via the European Partner immediately thereafter.



### *Commercialisation of PSD502™*

Plethora is in the advanced stages of agreeing a European Licensing Agreement with the European Partner, under which Plethora would license the rights to commercialise PSD502™ in Europe, Russia (including the Commonwealth of Independent States), Turkey and North Africa to the European Partner. Plethora would retain full commercialisation rights for the rest of the World, including but not limited to North America, Latin America, the Asia Pacific region, the Middle East and Sub-Sahara Africa.

It is anticipated that the potential European Licensing Agreement, if entered into, would involve Plethora receiving:

- a payment of EUR 5 million (or approximately US\$7 million) upon the signing of the European Licensing Agreement (in limited circumstances, if there are material issues in the final development stages of a six dose can, EUR 4 million (or approximately US\$5 million) may be refundable to the European Partner);
- a payment of EUR 6 million (or approximately US\$8 million) upon grant of variant approval from EMA for a new six dose can;
- a payment of up to EUR 10 million (or approximately US\$13 million) in total upon first commercial sales of PSD502™ in France, Germany, Italy, Spain and Portugal;
- up to EUR 25 million (or approximately US\$34 million) in sales-based milestones; and
- tiered percentage royalties on net sales, ranging from the mid-teens to the mid-twenties for 10 years from first commercial sale, and thereafter at a single digit royalty rate.

It is further anticipated that the potential European Licensing Agreement would involve the European Partner assuming responsibility for commercialisation activities in the licensed territories, with the European Partner also funding all costs associated with the sales and marketing programmes, and all additional regulatory filings that it intends to pursue in the licensed territory.

Whilst there can be no certainty or guarantee, the board of Plethora anticipates that the European Licensing Agreement will be entered into by 17 September 2014. However, it is not yet possible to determine with accuracy the timing for completion of these discussions and it is emphasised that Plethora may not be able to finalise the European Licensing Agreement. Therefore, Shareholders and investors should exercise extreme caution when dealing in the securities of the Company. Furthermore, should the European Licensing Agreement be entered into, there can be no guarantee that the summary terms above will represent the final terms. An



announcement regarding the European Licencing Agreement will be made by Plethora as and when necessary to update investors.

*Background to the rights to commercialise PSD502™*

Owing to legacy financing and commercial arrangements, Shionogi, Paul Capital and the Original Patent Holder each had certain royalty entitlements and/or rights or title in respect of patents and other intellectual property rights related to PSD502™.

*Terms of the Cessation Agreements and the Patent Transfer Agreement*

Plethora has, on 29 August 2014 (and after market close in Hong Kong), announced that it has entered into, conditional upon the completion of the European Licence Agreement and the Placing and Subscription, the Cessation Agreements and the Patent Transfer Agreement, pursuant to which it will, own the entire economic benefit of all revenue streams generated from the “out licensing” of PSD502™ to commercial marketing partners in the future on a global basis. In return for entering into the Cessation Agreements, Plethora will pay to Shionogi, Paul Capital and the Original Patent Holder a sum totalling US\$25 million (or approximately GBP 15 million or HK\$195 million).

The Cessation Agreements and the Patent Transfer Agreement provide for the termination of all royalty entitlements for Paul Capital, Shionogi and the Original Patent Holder relating to PSD502™ and the acquisition by Plethora of all patents and all other intellectual property rights related to PSD502™. In addition, the Cessation Agreements provide for the termination and release of all other claims that Paul Capital, Shionogi and the Original Patent Holder may have against Plethora or PSD502™. As such, the Cessation Agreements constitute a “clean break” between Plethora on the one hand and Paul Capital, Shionogi and the Original Patent Holder respectively on the other.

Following completion of the Cessation Agreements and the Patent Transfer Agreement, Plethora will be free to pursue the development, marketing and distribution of PSD502™ without any involvement from Paul Capital, Shionogi or the Original Patent Holder, and Plethora will control the entire economic benefit of all future revenue streams generated from the “out licensing” of PSD502™ to commercial marketing partners on a global basis.

More information on Plethora is available at <http://www.plethorasolutions.co.uk/>, as well as in the Company’s interim results announcement for the period ended 30 June 2014 (dated and released on 29 August 2014).



## Reasons for the subscription of new Plethora Shares

The Company understands that there is a significant unmet clinical need for urological and sexual dysfunction therapeutics globally and that this market in the United States alone could be worth several hundreds of million of dollars per annum.

The last twelve months have been a period of significant activity for Plethora. Plethora has made progress with the regulatory status of PSD502™, having received EU marketing approval from EMA on 15 November 2013 and commenced the process for a New Drug Application with the FDA. PSNW has been appointed as Plethora's manufacturing partner. Further to Plethora's announcement on 26 March 2014, work on the development of a new six dose canister has been completed enabling the commencement of the next phase, which is a 5 litre pilot study followed by 3 100 litre GMP batch stability and validation studies that are scheduled to complete by the end of this year.

Plethora has, on 29 August 2014 (after market close in Hong Kong), announced that it is in the advanced stages of agreeing a European Licensing Agreement with a European Partner, under which Plethora would license the rights to commercialise PSD502™ in Europe, Russia, Commonwealth of Independent States, Turkey and North Africa to the European Partner (further details of which are set out in the paragraph headed "Background on Plethora" above as well as in Plethora's Placing and Subscription announcement and shareholders' circular each dated 29 August 2014). It is anticipated that the European Licensing Agreement would involve Plethora receiving a payment upon the signing of the agreement, followed by further payments based upon certain milestones, plus tiered royalties on product sales.

Moreover, Plethora has, on 29 August 2014 (after market close in Hong Kong), also announced that it has negotiated the Cessation Agreements terminating the existing royalty agreements with Shionogi, Paul Capital and the Original Patent Holder and the Patent Transfer Agreement in order to acquire all the patents and other intellectual property related to PSD502™. Under the terms of the Cessation Agreements and the Patent Transfer Agreement, Plethora will make cash payments totalling US\$25 million (or approximately GBP 15 million or HK\$195 million) to Shionogi, Paul Capital and the Original Patent Holder. This will result in Plethora owning the entire economic benefit of all revenue streams generated from the 'out licensing' of PSD502™ to commercial marketing partners in the future on a global basis.

Plethora is on track in relation to all its key performance measures as it moves along the path to establishing an approved manufacturing facility and bringing PSD502™ to market. The anticipated first commercialisation agreement with its European Partner will represent a major milestone in the development of the business. This should help to pave the way to new agreements in new territories in parallel with continued progress towards FDA approval to facilitate the launch of the product in the key North American market.



It is against this backdrop of tangible progress of advancing what the Company considers to be an exciting development in the treatment of premature ejaculation that the Directors consider the entering into of the Subscription Agreement 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 Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Source of funds**

The cash consideration to be paid in respect of the Subscription Agreement will be funded from the working capital of the Company.

### **Discloseable transaction**

In view of the fact that the aggregate amount of cash consideration to be paid for the subscription of up to 25,299,490 new Plethora Shares under the Subscription Agreement (being GBP 2,276,954 or approximately US\$3,779,744 or HK\$29,482,003), either in isolation or when viewed in aggregate with the Company's prior subscriptions and on-market acquisition of Plethora Shares (being 61,500,000 Plethora Shares for a cash consideration of GBP 3,004,179 or approximately US\$4,986,937 or HK\$38,898,109), exceeds 5 per cent but is less than 25 per cent of the Company's market capitalisation, such subscription, either in isolation or when aggregated with the Company's previous subscriptions and acquisition of Plethora Shares, 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 Company's subscription of new Plethora Shares under the Subscription Agreement in accordance with the HK Listing Rules.

### **Not a connected transaction**

As noted above, James Mellon (Non-Executive Co-Chairman of the Board of the Company) is the non-executive chairman of the board of Plethora (currently one of five directors), holding (himself and through his associate) approximately 14.21 per cent of its existing issued share capital, and Mark Searle (an Independent Non-Executive Director of the Company) currently, together with his associates, holds approximately 0.41 per cent of the existing issued share capital of Plethora.

In addition, Jamie Gibson (Executive Director and Chief Executive Officer of the Company) is the executive director and chief executive officer of Plethora (currently one of five directors),



having been appointed on 1 January 2014 to represent the Company's interests in Plethora. Jamie Gibson does not hold any equity interests in Plethora.

Notwithstanding the above and save for the equity interests held by James Mellon and Mark Searle in Plethora (as referred to above), to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each counterparty to the Subscription Agreement and their respective beneficial owner(s) and associate(s) is a third party independent of the Company and is not a connected person 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, primarily, on the Asian region. Its principal assets and investments are located in Yunnan Province, China as well as the Pilbara region of Western Australia where the Company has strategic interests in Venturex Resources Limited (33.47%). The Company also has passive interests in a number of other mining companies.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

### **Definitions**

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

<b>"AIM"</b>	the Alternative Investment Market of the London Stock Exchange
<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>"Cessation Agreements"</b>	the conditional agreements entered into between Plethora on the one hand and Shionogi, Paul Capital and the Original Patent Holder respectively on the other for the termination of certain royalty entitlements of Shionogi, Paul Capital and the Original Patent Holder relating to future sales of PSD502™
<b>"China"</b>	Peoples' Republic of China



<b>“CHMP”</b>	the Committee for Medicinal Products for Human Use being the arm of the EMA responsible for the issue and variation of marketing authorisations
<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>“EMA”</b>	the European Medicines Agency, being the decentralised agency of the European Union, responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the European Union
<b>“EU”</b>	the European Union
<b>“EUR”</b>	Euro, being the currency used by the Institutions of the European Union and is the official currency of the Eurozone
<b>“European Licensing Agreement”</b>	a potential licensing agreement currently in negotiation which, if entered into, would license the rights to commercialise PSD502™ in Europe, Russia, Commonwealth of Independent States, Turkey and North Africa to the European Partner
<b>“European Partner”</b>	an international pharmaceutical group headquartered in Europe, which is the proposed counterparty to the European Licensing Agreement
<b>“FDA”</b>	the Food and Drug Administration, being the agency in the US responsible for protecting and promoting public health through the regulation and supervision of various products
<b>“Fundraising Warrant(s)”</b>	the 101,148,981 warrants to subscribe for new Plethora Shares, each warrant (a Fundraising Warrant) entitling the holder to subscribe for one new Plethora Share at an exercise



price of GBP 0.15 (or approximately US\$0.25 or HK\$1.95) at any time prior to the earlier of 19 September 2019 and 30 days after the date on which Plethora gives the relevant warrant holder notice of the change of control

<b>“GBP”</b>	Great British Pounds, the lawful currency in the United Kingdom
<b>“GMP”</b>	Good Manufacturing Practice
<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>“New Drug Application” or “NDA”</b>	the New Drug Application is the process through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing in the US
<b>“Original Patent Holder”</b>	Dr Richard Henry, the original patent holder for PSD502™
<b>“Patent Transfer Agreement”</b>	the conditional agreement between Plethora and the Original Patent Holder providing for the transfer to Plethora of all patents and intellectual property relating to PSD502™
<b>“Paul Capital”</b>	Paul Royalty Fund Holdings II LP, a US-based provider of development capital
<b>“PDUFA”</b>	Prescription Drug User Fee Act
<b>“Placing”</b>	the conditional placing by Daniel Stewart and Hybridan on behalf of Plethora of up to 119,759,430 new Plethora Shares, at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in cash, in accordance with the Placing Agreement to various placees to raise up to GBP 10,778,349 (or approximately US\$17,892,059 or HK\$139,558,060) (as announced by Plethora on 29 August 2014)



<b>“Placing Agreement”</b>	the conditional agreement dated 29 August 2014 entered into by Plethora with Daniel Stewart and Hybridan in relation to the placing of up to 119,759,430 new Plethora Shares, at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in cash, to various places (excluding the Company and those investors investing pursuant to the Subscription) to raise up to GBP 10,778,349 (or approximately US\$17,892,059 or HK\$139,558,060)
<b>“Placing and Subscription”</b>	together the Placing and Subscription of 176,998,486 new Plethora Shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share to raise GBP 15,929,864 (or approximately US\$26,443,574 or HK\$206,259,877) before expenses
<b>“Plethora”</b>	Plethora Solutions Holdings plc, a public listed company incorporated and domiciled in the United Kingdom, whose shares are listed on AIM (AIM: PLE)
<b>“Plethora Share(s)”</b>	the ordinary shares of GBP 0.01 each in the capital of Plethora
<b>“PSD502™”</b>	Plethora’s proprietary product for the treatment of premature ejaculation
<b>“PSNW”</b>	Pharmaserve (North West) Limited
<b>“Shareholder(s)”</b>	the holders of the Shares
<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
<b>“Shionogi”</b>	Shionogi Inc. and Shionogi Ireland Limited
<b>“Subscription”</b>	the conditional subscription by certain investors (excluding the Company and those investors investing pursuant to the Placing) for 57,239,056 new Plethora Shares at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share to



raise GBP 5,151,515 (or approximately US\$8,551,515 or HK\$66,701,817) before expenses

<b>“Subscription Agreement”</b>	the conditional subscription agreement entered into between the Company and Plethora on 29 August 2014 (after market close in Hong Kong) in respect of the conditional subscription by the Company, at GBP 0.09 (or approximately US\$0.15 or HK\$1.17) per Plethora Share in cash, of up to 25,299,490 new Plethora Shares, together with 12,649,745 Fundraising Warrants, for an aggregate consideration of up to GBP 2,276,954 (or approximately US\$3,779,744 or HK\$29,482,003)
<b>“UK”</b>	the United Kingdom
<b>“US”</b>	the United States
<b>“US\$”</b>	United States dollars, the lawful currency of the United States

Note: Unless otherwise specified herein, (i) amounts dominated in GBP have been translated, for the purpose of illustration only, into US\$ using the exchange rate of GBP 1.00 = US\$1.66; and (ii) amounts dominated 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*)<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, 1 September 2014