



# Regent Pacific Group Limited

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

Stock Code: 0575

5 June 2015

## ANNOUNCEMENT

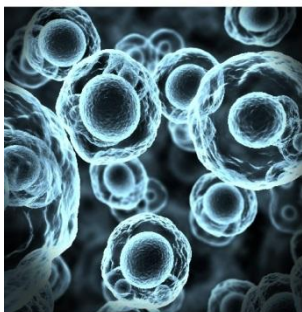
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### **DISCLOSEABLE TRANSACTION: ACQUISITION OF CONTRACTUAL/ECONOMIC RIGHTS IN PLETHORA SOLUTIONS HOLDINGS PLC**

#### **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 is pleased to announce that it has today (and after market close in Hong Kong) reached an agreement with Sharwood to acquire its rights and obligations under the Promissory Note in respect of services provided to Plethora in relation to the procurement of out-licencing opportunities for PSD502™, Plethora's principal product. The acquisition of contractual and economic rights from Sharwood has been effected by way of the Assignment and Novation Agreement entered into between Sharwood, as assignor, the Company, as assignee, together with Plethora and Plethora Solutions Limited, a wholly owned subsidiary of Plethora, for a total cash consideration of GBP 2,400,000 (or approximately US\$3,669,840 or HK\$28,624,752).





The Assignment and Novation Agreement is unconditional and the acquisition of contractual and economic rights thereunder has taken effect immediately.

The Company's economic rights under the acquired Promissory Note are success-based and are as follows:

- amounts equal to 2.08% of aggregate royalties received by Plethora on the initial EUR 18,750,000 (or approximately US\$20,598,750 or HK\$160,670,250) received by Plethora;
- amounts equal to 3.12% of aggregate royalties received by Plethora arising between EUR 18,750,000 (or approximately US\$20,598,750 or HK\$160,670,250) and EUR 30,000,000 (or approximately US\$32,958,000 or HK\$257,072,400); and
- amounts equal to 4.56% of aggregate royalties received by Plethora above EUR 30,000,000 (or approximately US\$32,958,000 or HK\$257,072,400),

provided that, the total amount payable by Plethora to the Company shall in no circumstances exceed GBP 4,579,125 (or approximately US\$7,001,940 or HK\$54,615,132).

The success based arrangement described above will be payable in relation to all amounts paid and due under the licence agreement signed in September 2014 with Recordati S.p.A.

In addition, the Company has the right to receive accelerated payments should Plethora or any of its licensed assets be subject to a change of control, which as mentioned above are capped at GBP 4,579,125 (or approximately US\$7,001,940 or HK\$54,615,132).

These arrangements expire on the earlier of 15 September 2024 or when the cap of GBP 4,579,125 (or approximately US\$7,001,940 or HK\$54,615,132) has been paid to the Company.

The acquisition of Sharwood's previously held contractual and economic rights pursuant to the Promissory Note, by way of the Assignment and Novation Agreement, 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.**



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### **Acquisition of contractual and economic rights in Plethora**

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### **Previous interests in Plethora**

The Company currently holds 86,799,490 Plethora Shares, representing 10.54 per cent. of its current issued share capital, and 12,649,745 units of warrants exercisable at the price of GBP 0.15 (or approximately US\$0.23 or HK\$1.79) on or before 19 September 2019.

James Mellon (the Company's Non-Executive Co-Chairman), by himself and together with his associates, currently holds 157,558,771 Plethora Shares, representing 19.14 per cent. of its current issued share capital, together with: (i) a convertible note in respect of GBP 340,000 (or approximately US\$519,894 or HK\$4,055,173), having a maturity date of 31 March 2020 and an interest rate of 5 per cent. (with the interest accrued and payable quarterly in cash), that may either be redeemed on or before maturity or convertible into 17,000,000 new Plethora Shares; (ii) a share award under Plethora's Long Term Incentive Plan (an "LTIP") in respect of 1,000,000 Plethora Shares that will vest upon certain vesting triggers being satisfied, including a change of control of Plethora; and (iii) through a company wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary, 54,122,158 units of warrants exercisable at the price of GBP 0.0125 (or approximately US\$0.0191 or HK\$0.1490) on or before 31 March 2023.

Jamie Gibson (the Company's Executive Director and Chief Executive Officer) does not hold any Plethora Shares, but holds an LTIP in respect of 35,000,000 Plethora Shares that will vest upon certain vesting triggers being satisfied, including a change of control of Plethora.

Mark Searle (one of the Company's Independent Non-Executive Directors), by himself and together with his associates, currently holds 1,700,000 Plethora Shares, representing 0.21 per cent. of its current issued share capital.

James Mellon is the non-executive chairman of the board of Plethora and Jamie Gibson is the executive director and chief executive officer of Plethora.



## **Basis of consideration**

The consideration of GBP 2,400,000 (or approximately US\$3,669,840 or HK\$28,624,752) payable by the Company to Sharwood in respect of the acquisition of contractual and economic rights under the Promissory Note, by way of the Assignment and Novation Agreement, has been determined on normal commercial terms and negotiated on an arm's length basis between the relevant parties, by reference to the aggregate capped amount payable under the Promissory Note of GBP 4,579,125 (or approximately US\$7,001,940 or HK\$54,615,132), with the consideration payable of GBP 2,400,000 (or approximately US\$3,669,840 or HK\$28,624,752) representing an appropriate discount of 47.59 per cent. to the aggregate amount potentially payable under the Promissory Note, such discount reflecting the current value of possible future revenue that Plethora may or may not generate.

The Directors (including the Independent Non-Executive Directors) consider the entering into of the Assignment and Novation Agreement, together with the Promissory Note, 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 Assignment and Novation Agreement, and, indeed, the Promissory Note, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's attributable share (being 10.54 per cent.) of Plethora's: (i) net loss for the financial year ended 31 December 2014 from continued operations is GBP 1,658,364 (or approximately US\$2,535,804 or HK\$19,779,271); and (ii) net loss for the financial year ended 31 December 2013 from continued operations is GBP 922,777 (or approximately US\$1,411,018 or HK\$11,005,940), both before and after taxation.

The net liability value of Plethora was GBP 2,857,000 (or approximately US\$4,368,639 or HK\$34,075,384) as at 31 December 2014, as set out in Plethora's last published annual report for the period ended 31 December 2014.

## **Background on Plethora**

Plethora is a company incorporated in England and Wales and whose securities are listed on AIM.

The principal activity of Plethora is the development and marketing of products for the treatment and management of urological disorders. In this respect Plethora is primarily focused on the commercialisation of its central product, PSD502™, a treatment for premature prejaculation and, to this end has recently secured the appointment of: (i) Pharmaserve (North West) Limited in March 2014 to undertake the development and manufacturing of the new 6 dose canister of PSD502™ for premature ejaculation; and (ii) Recordati S.p.A in September 2014, an



international pharmaceutical group whose shares are listed on the Italian Stock Exchange with a market capitalisation of over EUR 3.9 billion, to commercialise PSD502™ in Europe, Russia, the Commonwealth of Independent States, Turkey and certain countries of North Africa pursuant to a licensing agreement, both being key final steps in making the product available for a successful launch in multiple territories.

Further details of Plethora's assets, operations and share capital can be found on the Plethora web site [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk), whereas further details of the Company's investment in Plethora can be seen in its Annual Report for the financial year ended 31 December 2014, together with prior announcements, interim and annual reports issued by Plethora on AIM.

### **Reasons for the acquisition of contractual and economic rights from Sharwood**

As has been previously disclosed, the last twelve months have been a period of significant activity for Plethora in which it has secured the appointment of: (i) Pharmaserve (North West) Limited and Catalent to undertake the development and manufacturing leading to the successful introduction of the new 6 dose canister of PSD502™ for premature ejaculation; and (ii) Recordati S.p.A in September 2014, an international pharmaceutical group whose shares are listed on the Italian Stock Exchange with a market capitalisation of over EUR 3.9 billion, to commercialise PSD502™ in Europe, Russia, the Commonwealth of Independent States, Turkey and certain countries of North Africa pursuant to a licensing agreement, both being key final steps in making the product available for a successful launch in multiple territories. 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.

The first commercialisation agreement with Recordati S.p.A in September 2014 represented a major milestone in the development of the business and, the Company understands, has helped to pave the way for discussions in respect of new agreements in new territories to be progressed 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 (including the Independent Non-Executive Directors) consider the entering into of the Assignment and Novation Agreement, together with the Promissory Note, 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 Assignment and Novation Agreement and, indeed, the Promissory Note, 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 Assignment and Novation Agreement will be funded from the working capital of the Company.

### **Discloseable transaction**

In view of the fact that the total assets which are the subject of the Assignment and Novation Agreement exceeds 5 per cent. but is less than 25 per cent. of the Company's total assets, the acquisition of contractual and economic rights under the Assignment and Novation Agreement 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 acquisition of contractual and economic rights under the Assignment and Novation Agreement in accordance with the HK Listing Rules.

### **Not a connected transaction**

As noted above and before considering the convertibles, 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 (by himself and together with his associates) approximately 19.14 per cent. of its existing issued share capital, and Mark Searle (an Independent Non-Executive Director of the Company) currently, by himself and together with his associates, holds approximately 0.21 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.

Further, Anthony Baillieu, who was appointed as a non-executive director of Plethora on 12 May 2015, was previously a Director of the Company, who resigned from his position as a Non-Executive Director of the Company in October 2005. Mr Baillieu remains a director of two of the Company's insignificant and dormant subsidiaries, AstroEast.com Limited and AstroEast.com (Hong Kong) Limited, both being 50.99 per cent. owned subsidiaries of the Company, since January 2000. Mr Baillieu currently holds, through a nominee company owned by his family, 0.0057 per cent. of the total issued share capital of the Company.

Notwithstanding the above and save for the interests of James Mellon, Mark Searle, Jamie Gibson and Anthony Baillieu in Plethora disclosed above, to the best of the Directors'



knowledge, information and belief and having made all reasonable enquiries, each counterparty to the Assignment and Novation 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.

### **Background on Sharwood Limited**

Sharwood is a private company incorporated in England and Wales, owned and controlled by Gordon Duncan, that provides various advisory and consulting services (including licensing, financing and M&A transactions) to pharmaceutical, biotechnology and medical technology groups internationally.

### **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 investment group holding various corporate and strategic investments across the natural resources sector (including both mining and oil and gas), as well as in the healthcare and life science sectors, its current core focus.

**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>“Assignment and Novation Agreement”</b>	the assignment and novation agreement entered into on 5 June 2015 (after market close in Hong Kong) between Sharwood, as assignor, the Company, as assignee, together with Plethora and Plethora Solutions Limited, a wholly owned subsidiary of Plethora, pursuant to which the Company has acquired all of Sharwood’s rights, by way of assignment, and obligations, by way of novation, in respect of certain contractual and economic rights under the Promissory Note





<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>“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 EU, responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the EU
<b>“EU”</b>	the European Union
<b>“EUR”</b>	Euro, being the currency used by the Institutions of the EU and is the official currency of the Eurozone
<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>“GBP”</b>	Great British Pounds, the lawful currency in the United Kingdom
<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”</b>	the process through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing in the US
<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>“Promissory Note”</b>	the promissory note entered into between Plethora, as promisor, and Sharwood, as promisee, on 5 June 2015 in respect of the contractual and economic rights set out in this announcement
<b>“PSD502™”</b>	Plethora’s proprietary product for the treatment of premature ejaculation
<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>“Sharwood”</b>	Sharwood Limited, a private company incorporated in England and Wales
<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 or EUR have been translated, for the purpose of illustration only, into US\$ using the exchange rate of GBP 1.00 = US\$1.5291 and EUR 1.00 = US\$1.0986, respectively; 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, 5 June 2015