



# Regent Pacific Group Limited



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

Stock Code: 0575

15 December 2015

## ANNOUNCEMENT



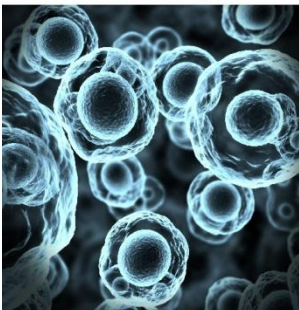
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**VERY SUBSTANTIAL AND CONNECTED ACQUISITION  
CONDITIONAL ALL SHARE TAKEOVER OFFER  
FOR  
PLETHORA SOLUTIONS HOLDINGS PLC  
BY  
REGENT PACIFIC GROUP LIMITED  
(to be effected by way of a scheme of arrangement  
under Part 26 of the Companies Act 2006)**





## SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 and Chapters 14 and 14A of the Exchange Rules and the Inside Information Provisions (as defined in the Exchange Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Further to the Possible Offer Announcement released by the Company on 4 November 2015, the Board is pleased to announce that today (after market close) it has reached agreement with the Independent Plethora Director on the terms of a recommended share-for-share takeover offer pursuant to which the Company will acquire the entire issued and to be issued ordinary share capital of Plethora not already directly or indirectly owned by the Company. It is proposed that the Transaction will be effected by means of a scheme of arrangement of Plethora in the UK under Part 26 of the Companies Act (although the Company reserves the right to effect the Transaction by way of an Offer).

Consistent with the Company's announcement on 17 November 2015, it should be noted that the Company and its Concert Parties together hold 29.88 per cent. of Plethora's issued ordinary share capital. James Mellon is the Non-Executive Chairman of Plethora and Non-Executive Co-Chairman of the Company, and Jamie Gibson is an Executive Director and the Chief Executive Officer of both Plethora and the Company.

Under the terms of the Transaction, each Plethora Shareholder (other than the Company) will receive:

**for each Plethora Share** **15.7076 new Shares**

Under the terms of the Transaction, Plethora Shareholders (other than the Company) will, in aggregate, receive approximately 11,568,619,063 new Shares. These Consideration Shares will represent approximately 65.98 per cent. of the issued share capital of the Enlarged Group.

On the basis of the closing price of a Share of HK\$0.087 on 14 December 2015 (being the last Business Day prior to the publication of this announcement), the Transaction represents an indicative value for each Plethora Share of 11.65 pence (or approximately US\$0.1763 or HK\$1.3666), values the entire issued ordinary share capital of Plethora at approximately £95.94 million (or approximately US\$145.16 million or HK\$1,125.09 million) and values the fully diluted share capital of Plethora at approximately £114.33 million (or approximately US\$172.98 million or HK\$1,340.72 million). The Transaction at the indicative value of 11.65 pence (or approximately US\$0.1763 or HK\$1.3666) per Plethora Share represents an indicative premium of approximately:

- 323.7 per cent. to the closing price per Plethora Share on AIM of 2.75 pence (or approximately US\$0.042 or HK\$0.322) on 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period);



- 159.0 per cent. to the closing price per Plethora Share on AIM of 4.5 pence (or approximately US\$0.068 or HK\$0.528) on 14 December 2015 (being the last Business Day prior to publication of this announcement);
- 123.7 per cent. to the 30 day volume-weighted average price of Plethora Shares on AIM of 5.21 pence (or approximately US\$0.079 or HK\$0.611) for the period from 15 November 2015 to 14 December 2015 (being the last Business Day prior to publication of this announcement); and
- 29.5 per cent. to the last equity offer by Plethora which was priced at 9 pence (or approximately US\$0.136 or HK\$1.055) per Plethora Share on 29 August 2014.

On the basis of the closing price of a Share of HK\$0.095 on 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period), the Transaction represents an indicative value for each Plethora Share of 12.5 pence (or approximately US\$0.189 or HK\$1.466), values the entire issued ordinary share capital of Plethora at approximately £102.9 million (or approximately US\$155.7 million or HK\$1,206.7 million) and values the fully diluted share capital of Plethora at approximately £122.6 million (or approximately US\$185.5 million or HK\$1,437.7 million). The Transaction at the indicative value of 12.5 pence (or approximately US\$0.189 or HK\$1.466) per Plethora Share represents an indicative premium of approximately:

- 354.5 per cent. to the closing price per Plethora Share on AIM of 2.75 pence (or approximately US\$0.042 or HK\$0.322) on 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period);
- 177.8 per cent. to the closing price per Plethora Share on AIM of 4.5 pence (or approximately US\$0.068 or HK\$0.528) on 14 December 2015 (being the last Business Day prior to the publication of this announcement);
- 311.7 per cent. to the 30 day volume-weighted average price of Plethora Shares on AIM of 3.04 pence (or approximately US\$0.046 or HK\$0.357) for the period from 4 October 2015 to 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period); and
- 38.9 per cent. to the last equity offer by Plethora which was priced at 9 pence (or approximately US\$0.136 or HK\$1.055) per Plethora Share on 29 August 2014.

The Board believes that the acquisition of Plethora will add a high quality asset to the Company, which will serve as a key platform for growth in line with its strategic objective to pursue strategic and value-led investments in the healthcare and life sciences sectors. The acquisition will give the Company an increased investment in Plethora's principal product PSD502™, a treatment for premature ejaculation, which represents an attractive investment ahead of its full commercialisation. PSD502™ is an EMA approved prescription treatment in the EU and preparations by Plethora for a New Drug Application to the FDA are advancing well.

In summary, the Board believes that the Transaction will deliver significant benefits to Plethora and the shareholders of the Enlarged Group, including the following:



- The Transaction will allow the management team to focus on the successful commercialisation of PSD502™ as quickly as possible, in particular in the remaining key markets of the US, Latin America and Asia Pacific regions. The Company believes that Asia Pacific is likely to become a key component to the eventual marketing and distribution strategy for PSD502™ and the Company's Hong Kong office will provide an excellent base from which to manage the controlled launch of the product following receipt of relevant regulatory approvals. PSD502™ is likely to be introduced in Europe initially, as it has already secured EMA approval;
- a single aligned management team, with deep knowledge of the industry and product, will be created by the Transaction. Led by Jamie Gibson (currently Chief Executive Officer of both the Company and Plethora), the Enlarged Group will combine Plethora's scientific expertise, under Michael G Wyllie's leadership, with the Company's corporate, management and commercial skills;
- net cash and proceeds from the sale of unpledged listed equity securities available to the Company will assist Plethora with the commercialisation of PSD502™ in the medium term and reduce the uncertainty for Plethora as to the availability of capital in this period; and
- the Transaction will provide Plethora Shareholders with a Hong Kong Main Board listing and is therefore expected to foster greater liquidity for the stock.

Participants in the Plethora LTIP, the holders of options under the Plethora Option Scheme and the holders of any Convertible Instruments will, if required, be contacted regarding the effect of the Transaction on their rights under the Plethora LTIP, the Plethora Option Scheme and the Plethora Convertible Instruments respectively and appropriate proposals will be made to such participants and holders in due course. The Transaction will extend to any Plethora Shares which are unconditionally allotted or issued as a result of: (i) the vesting of awards under the Plethora LTIP; (ii) the exercise of any options under the Plethora Option Scheme; and/or (iii) the conversion of any of the Plethora Convertible Instruments, before the date on which the Transaction closes (to be specified in the Circular and in the Scheme Document). Any Plethora Shares which are unconditionally allotted or issued after the date on which the Transaction closes will be acquired automatically by the Company, on the terms of the Transaction, pursuant to the articles of association of Plethora as proposed to be amended at the Plethora General Meeting.

The Transaction will be subject to certain conditions and terms set out below and in Appendix I to this announcement (with the full terms and conditions to be set out in the Scheme Document and Circular), including:

- the Scheme being approved by a majority in number of the Plethora Shareholders who are present and vote, whether in person or by proxy, at the Plethora Court Meeting and who represent not less than 75 per cent. in value of the Plethora Shares voted by those Plethora Shareholders;



- the resolution(s) required to approve and implement the Scheme being duly passed by Plethora Shareholders representing 75 per cent. or more of votes cast in person or by proxy at the Plethora General Meeting;
- the UK Court approving the Scheme;
- the passing of such ordinary resolution(s) by the Independent Shareholders as are necessary to approve and effect the Transaction (including the approval of the issuance and allotment of the Consideration Shares) in accordance with the Exchange Rules; and
- the Listing Committee of the Exchange granting the listing of, and permission to deal in, the Consideration Shares.

The Company (and any other members of the Group holding Plethora Shares, or their nominees) will not attend or vote at the Plethora Court Meeting. Once the necessary approvals from Plethora Shareholders have been obtained and the other conditions have been satisfied or (where applicable) waived, the Scheme must be approved by the UK Court. The Scheme will then become Effective upon delivery of the UK Court Order to the Registrar of Companies.

It is expected that the Scheme will become Effective in Q1 2016, subject to the satisfaction or waiver of the conditions and further terms to the Transaction. The Transaction will lapse if the Scheme does not become Effective by 30 September 2016 (or such later date as may be agreed between the Company and Plethora, and as the UK Takeover Panel and the UK Court may allow).

The Independent Plethora Director, who has been so advised by Herax Partners LLP as to the financial terms of the Transaction, considers the terms of the Transaction to be fair and reasonable. In providing advice to the Independent Plethora Director, Herax Partners LLP has taken into account the commercial assessments of the Independent Plethora Director. In addition, the Independent Plethora Director considers the terms of the Transaction to be in the best interests of Plethora Shareholders as a whole.

Accordingly, the Independent Plethora Director intends to recommend that the Plethora Shareholders vote in favour of the Scheme at the Plethora Court Meeting and the resolution(s) to be proposed at the Plethora General Meeting, as the Independent Plethora Director has irrevocably undertaken to do in respect of his own beneficial holdings of 1,759,127 Plethora Shares, representing, in aggregate, approximately 0.21 per cent. of the issued ordinary share capital of Plethora in issue on 14 December 2015 (being the last Business Day prior to the publication of this announcement).

Consistent with the Company's announcements on 10 and 13 November 2015, the Company has also received letters of intent to vote in favour of the Scheme at the Plethora Court Meeting and the resolution(s) to be proposed at the Plethora General Meeting from Forest Nominees Limited (being the nominee company of Canaccord Genuity Wealth (International) Ltd and on behalf of certain other controllers and beneficial owners) and W B Nominees Limited (being the nominee company of Walker Crips Stockbrokers Limited and in respect of discretionary clients) in respect of a total of 85,652,633 Plethora Shares representing, in aggregate, approximately 10.40 per cent. of Plethora's total issued ordinary share capital and approximately 11.63 per cent. of Plethora's issued ordinary share capital





excluding Plethora Shares held by the Company, in each case on 14 December 2015 (being the last Business Day prior to the publication of this announcement).

The Scheme Document, containing further information about the Transaction and notices of the Plethora Court Meeting and the Plethora General Meeting, together with the Plethora Forms of Proxy, will be sent to Plethora Shareholders (other than Restricted Overseas Persons) as soon as practicable and, in any event, (save with the consent of the UK Takeover Panel) within 28 days of this announcement. An expected timetable of principal events will be included in the Scheme Document, as well as in the Circular. The Circular and Scheme Document will be made available by the Company on its website at [www.regentpac.com](http://www.regentpac.com) and the Scheme Document will be made available by Plethora on its website at [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk).

The terms of the Transaction were negotiated with the Independent Plethora Director on an arm's length basis and the Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable having regard to the interests of the Company and the Shareholders as a whole.

The Transaction, together with prior acquisitions of Plethora Shares made within the past 12 months, constitutes a very substantial and connected acquisition of the Company under Chapters 14 and 14A of the Exchange Rules and requires approval of the Independent Shareholders in general meeting of the Company. The Company proposes to seek from the Independent Shareholders at the EGM an approval for the Transaction (including the issuance and allotment of the Consideration Shares).

## GENERAL

The Circular containing, among other things, further details of the Transaction, and notice of EGM, will be despatched to the Shareholders as soon as reasonably practicable and within 28 days of this announcement, unless otherwise extended with the consent of the Exchange.

The Company and Plethora have today jointly released the UK Announcement, also setting out equivalent disclosure in respect of the background to the Transaction and the conditions and further terms to such Transaction.

**As completion of the Transaction is subject to the fulfilment of a number of conditions, including approval from the Independent Shareholders, the Transaction may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 and Chapters 14 and 14A of the Exchange Rules and the Inside Information Provisions (as defined in the Exchange Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).



## THE TRANSACTION

### Date

15 December 2015

### Parties

Acquiror: Regent Pacific Group Limited

Target: Plethora Solutions Holdings plc

### Interests to be Acquired

All of the issued and to be issued ordinary share capital of Plethora (other than those already owned directly or indirectly by the Company) and certain outstanding rights under the Plethora LTIP and the Plethora Convertible Instruments.

### Transaction Structure

It is proposed that the Transaction will be effected by means of a UK Court-approved scheme of arrangement between Plethora and Plethora Shareholders in the UK under Part 26 of the Companies Act (although the Company reserves the right to effect the Transaction by way of an Offer). The purpose of the Scheme is to provide for the Company to become the holder of the entire issued and to be issued ordinary share capital of Plethora not already directly or indirectly owned by it. This is to be achieved by the transfer of the Plethora Shares to the Company, in consideration for which the Plethora Shareholders (other than the Company) will receive the Consideration Shares on the basis set out above.

### Transaction Consideration

Under the terms of the Transaction, which will be subject to the conditions and further terms set out below and in Appendix I to this announcement and the full terms and conditions which will be set out in the Scheme Document and Circular, each Plethora Shareholder (other than the Company) will receive:

**for each Plethora Share**

**15.7076 new Shares**

Fractions of new Shares will not be allotted or issued pursuant to the Transaction and fractional entitlements will be rounded down to the nearest whole number of new Shares.

Under the terms of the Transaction, Plethora Shareholders (other than the Company) will, in aggregate, receive approximately 11,568,619,063 new Shares. These Consideration Shares will represent approximately 65.98 per cent. of the issued share capital of the Enlarged Group.

On the basis of the closing price of a Share of HK\$0.087 on 14 December 2015 (being the last Business Day prior to the publication of this announcement), the Transaction represents an indicative value for each Plethora Share of 11.65 pence (or approximately US\$0.1763 or HK\$1.3666), values the entire



issued ordinary share capital of Plethora at approximately £95.94 million (or approximately US\$145.16 million or HK\$1,125.09 million) and values the fully diluted share capital of Plethora at approximately £114.33 million (or approximately US\$172.98 million or HK\$1,340.72 million). The Transaction at the indicative value of 11.65 pence (or approximately US\$0.1763 or HK\$1.3666) per Plethora Share represents an indicative premium of approximately:

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On the basis of the closing price of a Share of HK\$0.095 on 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period), the Transaction represents an indicative value for each Plethora Share of 12.5 pence (or approximately US\$0.189 or HK\$1.466), values the entire issued ordinary share capital of Plethora at approximately £102.9 million (or approximately US\$155.7 million or HK\$1,206.7 million) and values the fully diluted share capital of Plethora at approximately £122.6 million (or approximately US\$185.5 million or HK\$1,437.7 million). The Transaction at the indicative value of 12.5 pence (or approximately US\$0.189 or HK\$1.466) per Plethora Share represents an indicative premium of approximately:

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- 38.9 per cent. to the last equity offer by Plethora which was priced at 9 pence (or approximately US\$0.136 or HK\$1.055) per Plethora Share on 29 August 2014.





Following completion of the Transaction, Plethora Shareholders (other than the Company) will hold approximately 65.98 per cent. of the Enlarged Group.

### Conditions

The Transaction will be subject to certain conditions and terms set out below and in Appendix I to this announcement (with the full terms and conditions to be set out in the Scheme Document and Circular), including:

- the Scheme being approved by a majority in number of the Plethora Shareholders who are present and vote, whether in person or by proxy, at the Plethora Court Meeting and who represent not less than 75 per cent. in value of the Plethora Shares voted by those Plethora Shareholders;
- the resolution(s) required to approve and implement the Scheme being duly passed by Plethora Shareholders representing 75 per cent. or more of votes cast in person or by proxy at the Plethora General Meeting;
- the UK Court approving the Scheme;
- the passing of such ordinary resolution(s) by the Independent Shareholders as are necessary to approve and effect the Transaction (including the approval of the issuance and allotment of the Consideration Shares) in accordance with the Exchange Rules; and
- the Listing Committee of the Exchange granting the listing of, and permission to deal in, the Consideration Shares.

The Company (and any other members of the Group holding Plethora Shares, or their nominees) will not attend or vote at the Plethora Court Meeting. Once the necessary approvals from Plethora Shareholders have been obtained and the other conditions have been satisfied or (where applicable) waived, the Scheme must be approved by the UK Court. The Scheme will then become Effective upon delivery of the UK Court Order to the Registrar of Companies.



The Conditions in paragraph 1 of Appendix I to this Announcement provide that the Scheme will lapse if:

- the Plethora Court Meeting and the Plethora General Meeting are not held by the 22<sup>nd</sup> day after the expected date of the Plethora Court Meeting and the Plethora General Meeting, as to be set out in the Scheme Document and Circular in due course (or such later date as may be agreed by the Company and Plethora and the UK Court may allow);
- the UK Court hearing to sanction the Scheme is not held by the 22<sup>nd</sup> day after the expected date of such hearing to be set out in the Scheme Document and Circular in due course (or such later date as may be agreed by the Company and Plethora and the UK Court may allow); or
- the Scheme does not become Effective by 30 September 2016 (or such later date as may be agreed between the Company and Plethora, and as the UK Takeover Panel and the UK Court may allow),

provided however that the deadlines for the timing of the Plethora Court Meeting, the Plethora General Meeting and the UK Court hearing to sanction the Scheme as set out above may be waived by the Company.

Upon the Scheme becoming Effective, it will be binding on all Plethora Shareholders, irrespective of whether or not they attended or voted at the Plethora Court Meeting or the Plethora General Meeting.

The Scheme Document, containing further information about the Transaction and notices of the Plethora Court Meeting and the Plethora General Meeting, together with the Plethora Forms of Proxy, will be sent to Plethora Shareholders (other than Restricted Overseas Persons) as soon as practicable and, in any event, (save with the consent of the UK Takeover Panel) within 28 days of this announcement. An expected timetable of principal events will be included in the Scheme Document, as well as in the Circular. The Circular and Scheme Document will be made available by the Company on its website at [www.regentpac.com](http://www.regentpac.com) and the Scheme Document will be made available by Plethora on its website at [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk).

It is expected that the Scheme will become Effective in Q1 2016, subject to the satisfaction or waiver of the conditions and further terms of the Transaction. The Transaction will lapse if the Scheme does not become Effective by 30 September 2016 (or such later date as may be agreed between the Company and Plethora, and as the UK Takeover Panel and the UK Court may allow).

## **Offer-related Arrangements**

### *Cost Indemnity*

In connection with the Transaction, the Company has entered into a cost indemnity agreement with Plethora dated 15 December 2015. Under the terms of the Cost Indemnity, if the Independent Plethora Director recommends Plethora Shareholders vote in favour of the Scheme, the Company will reimburse Plethora for any reasonable third party costs it properly incurs in connection with the Transaction:



- up to an aggregate amount of US\$150,000, if the Independent Regent Pacific Directors do not recommend that the Independent Shareholders vote in favour of the ordinary resolution(s) approving the Transaction at the EGM (including the approval of the issuance and allotment of the Consideration Shares) or change their recommendation once it has been made and the Transaction lapses or is terminated as a result of the resolution(s) approving the Transaction or related matters not being approved at the EGM; or
- up to an aggregate amount of US\$100,000, if the Independent Regent Pacific Directors do recommend that the Independent Shareholders vote in favour of the ordinary resolution(s) approving the Transaction at the EGM (including the approval of the issuance and allotment of the Consideration Shares), such recommendation is not changed, but the Transaction lapses or is terminated as a result of the resolution(s) approving the Transaction or related matters not being approved at the EGM.

### *Confidentiality Agreement*

The Company and Plethora entered into a confidentiality agreement on 8 September 2015 (the “**Confidentiality Agreement**”) pursuant to which each of the Company and Plethora has undertaken to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted discloses) unless required by law or regulation. These confidentiality obligations will remain in force for a period of 12 months from the date of the Confidentiality Agreement.

### **Background to and reasons for the Transaction**

The Company’s strategic objective is to pursue strategic and value-led investments in the healthcare and life sciences sectors. As part of its extensive review of possible investment opportunities in the healthcare and life sciences sectors, it has narrowed its immediate focus to Plethora.

The Company first invested in Plethora in October 2011 and, consistent with the Company’s announcement on 17 November 2015, currently holds 10.5 per cent. of Plethora’s equity and James Mellon, Non-Executive Co-Chairman of the Company, directly and indirectly holds 19.1 per cent. In January 2014, Jamie Gibson, an Executive Director and Chief Executive Officer of the Company, took over as Executive Director and Chief Executive Officer of Plethora and has been instrumental in pushing forward the commercialisation of its lead prescription treatment for premature ejaculation, PSD502<sup>TM</sup>, including the completion of the commercialisation agreement with Recordati covering Europe, Russia and the Commonwealth of Independent States, Turkey and certain countries in North Africa.

The Transaction will allow the management team to focus on the successful commercialisation of PSD502<sup>TM</sup> as quickly as possible, in particular in the remaining key markets of the US, Latin America and Asia Pacific regions. The Company believes that Asia Pacific is likely to become a key component to the eventual marketing and distribution strategy for PSD502<sup>TM</sup> and the Company’s Hong Kong office will provide an excellent base from which to manage the controlled launch of the product following receipt of relevant regulatory approvals. PSD502<sup>TM</sup> is likely to be introduced in Europe initially, as it already has secured EMA approval.



A single aligned management team, with deep knowledge of the industry and product, will be created by the Transaction. Led by Jamie Gibson (currently Chief Executive Officer of both the Company and Plethora), the Enlarged Group will combine Plethora's scientific expertise, under Michael G Wyllie's leadership, with the Company's corporate, management and commercial skills.

The Company strongly supports Plethora's development strategy for PSD502<sup>TM</sup>. Following completion of the Transaction, the Enlarged Group's focus will continue to be on bringing PSD502<sup>TM</sup> to market through strategic commercial partners, not by itself, and therefore it is intended that the Enlarged Group will continue to outsource sales, marketing and distribution functions to selected partners to maximise the commercial potential of the product. This is a differentiating factor from traditional start-up companies in the pharmaceutical sector.

Consequently, following completion of the Transaction, rather than operate a pharmaceutical company, the Company, through its subsidiary Plethora, will simply be managing economic rights and entitlements flowing from the sales of PSD502<sup>TM</sup> by strategic commercial partners (through licensing agreements). The Company and Plethora will not be manufacturing or marketing PSD502<sup>TM</sup>, as these operational aspects have been and will continue to be completely outsourced to selected partners, and will instead be managing its investment by way of managing the flow of licensing and royalty payments that flow from sales. For these reasons, the Transaction would not result in any fundamental change in the Company's business and the existing business, being that of an investment company having its core focus on the health care and life sciences sectors, would continue unimpeded. Controlling Plethora will help the Company to better manage these rights and entitlements and is a sensible step to better protect, and create value from, its already significant investment in Plethora, entirely consistent with its strategic objective to pursue strategic and value-led investments in the healthcare and life sciences sectors. Furthermore, the Company intends on maximising the utilisation of historic tax losses in Plethora Solutions Limited arising from its development activity and UK patent box tax relief.

The Plethora Board anticipates that Plethora will require significant further funds for its working capital requirements, including completing the existing development of PSD502<sup>TM</sup> and bringing the product to market. Following the recent completion of disposals of non-core assets, as at 2 November 2015, the Company had net cash and unpledged listed equity securities balance of US\$13.7 million (or approximately £8.9 million or HK\$106.2 million). The Board believes that this cash will assist Plethora, through Plethora Solutions Limited, with the commercialisation of PSD502<sup>TM</sup> in the medium term and will reduce the uncertainty for Plethora as to the availability of capital in this period.

On 5 June 2015, the Company acquired Sharwood Limited's rights and obligations by way of the assignment and novation of a promissory note that Sharwood Limited previously held with the Plethora Group, for a total cash consideration of £2.4 million (equivalent to US\$3.6 million or HK\$28.1 million). Under that promissory note, the Company is now entitled to receive certain success-based royalties from Plethora or, in the alternative, a change of control payment, of up to a maximum and aggregate capped amount of £4.6 million (equivalent to US\$7.0 million or HK\$53.9 million). The arrangements set out in the promissory note are set to expire on the earlier of 15 September 2024 or when the capped amount of £4.6 million (equivalent to US\$7.0 million or HK\$53.9 million) has been paid to the Company in full. Following



completion of the Transaction and upon Plethora becoming a wholly-owned subsidiary of the Company, this agreement will be an intra-group arrangement.

In addition, the Transaction will provide Plethora Shareholders with shares in a company listed on the Hong Kong Main Board and is therefore expected to foster greater liquidity for the stock. The average daily value and total value traded of the Company's Shares for the twelve months prior to 3 November 2015 (being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period) was HK\$2.54 million (equivalent to £0.22 million or US\$0.33 million) and HK\$626.0 million (equivalent to £53.4 million or US\$80.8 million), respectively.

## **Background to and reasons for the Independent Plethora Director Recommendation**

### *Introduction*

As a result of the Plethora Directors' other directorships and shareholdings (including those of associated parties), Michael G Wyllie is the sole independent director of Plethora for the purposes of the Transaction.

At the time of the Plethora interim announcement on 28 August 2015, Plethora stated it had a cash balance as at 30 June 2015 of £2.8 million (or approximately US\$4.3 million or HK\$33.4 million). As at 4 December 2015, the financial records of Plethora stated that the cash balance was approximately £0.56 million (or approximately US\$0.85 million or HK\$6.57 million).

Current Plethora expectations are that from early January 2016 it will not have sufficient cash to operate under its current operating plans (which include the continued development and commercialisation of PSD502<sup>TM</sup>) in the absence of further funding being available to Plethora. It is not desirable to significantly delay any planned expenditure in key areas which support the development and commercialisation of PSD502<sup>TM</sup>, such as manufacturing of the reduced fill can or research and development expenses associated with the New Drug Application approval with the FDA. Such action may well have adverse consequences, particularly as regards the intended launch date of the commercialisation of PSD502<sup>TM</sup> in Europe, which would delay the receipt of licensing income from the agreement with Recordati.

Plethora has formally made the Company aware of this funding position. The Company supports the strategy to bring PSD502<sup>TM</sup> to full commercialisation under its current operating plans. If further funding is required by Plethora prior to the completion of the Transaction in order to continue the ongoing operation of the business and to achieve this strategy, the Company will consider whether further debt funding should be provided based on the information available at such time and taking into account the mitigating factors that could be taken by Plethora. Whether such funding is provided by the Company and its timing, quantum and terms will depend on the circumstances at such time and compliance with the applicable Exchange Rules. Any such funding would not be conditional on the Scheme becoming Effective.

The Independent Plethora Director believes that the Transaction will reduce any current uncertainty surrounding a materially dilutive share issue by Plethora. Completion of the Transaction provides





certainty over access to further funding which is highly desirable given the Plethora's unsatisfactory current financial position.

#### *Value and form of the consideration offered*

The indicative value of 11.65 pence (or approximately US\$0.1763 or HK\$1.3666) per Plethora Share (on the basis of the closing price of a Company Share of HK\$0.087 on 14 December 2015, being the last Business Day prior to this announcement) represents a significant premium of 159.0 per cent. to the closing price per Plethora Share of 4.50 pence (or approximately US\$0.068 or HK\$0.528) on 14 December 2015 (being the last Business Day prior to publication of this announcement) and exceeds the price of the last significant equity ordinary share issue by Plethora, which was priced at 9 pence (or approximately US\$0.136 or HK\$1.055) per Plethora Share on 29 August 2014.

Plethora Shareholders should note that the value of the consideration that they will receive (once the Scheme becomes Effective) will depend upon the market value of the Consideration Shares on the Effective Date, and this value may vary as the Consideration Shares are listed on the Exchange and are also traded on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

The Company Share price has traded between HK\$0.083 and HK\$0.245 over the 12 month period and HK\$0.085 and HK\$0.107 over the three month period, in each case up to and including 3 November 2015, being the last Business Day prior to the publication of the Possible Offer Announcement, which commenced the Offer Period. A total value of approximately HK\$626.0 million (or approximately US\$80.8 million or £53.4 million) of the Company's Shares have been traded over the 12 month period up to and including 3 November 2015. The Consideration Shares expected to be issued in connection with the Transaction represents approximately 4 times of the current number of Shares in issue.

If the Scheme becomes Effective, following which Plethora will be a wholly owned subsidiary of the Company, Plethora Shareholders will have the flexibility to choose whether to continue to have an ongoing economic exposure to the development of the Plethora business through holding Consideration Shares or alternatively realise some or all of the value of their new Company Shares. The Enlarged Group will have other investments which will provide a degree of diversification of risk to Plethora Shareholders though there may be other risks associated with the investments and strategy of the Enlarged Group.

#### *Board and Management alignment*

Following completion of the Transaction, it is intended that Michael G Wyllie will initially join the Group as a member of senior management, remaining in his role as Chief Scientific Officer of Plethora and then join the Board as an executive director at a later date. No incentivisation arrangements have been proposed or agreed in relation to Michael G Wyllie's expected appointment as an executive director of the Company at a later date. This appointment will provide a continuation of Michael G Wyllie's scientific overview and input to PSD502™ development as well as an understanding of the views of many current Plethora Shareholders. The consequent alignment of the Company and Plethora management should be beneficial in allowing new strategic relations to be pursued and, should it be required, new funding sources to be examined.



### *Other factors*

If the Scheme becomes Effective, being part of the Enlarged Group should allow a reduction in the operating costs of the Plethora Group in particular as a result of cancelling the Plethora listing on AIM and a reduction of the size of the Plethora Board to Jamie Gibson and Michael G Wyllie.

Plethora Shareholders who receive Consideration Shares on the Effective Date should note that there may well be significant differences between the rights associated with the current Plethora Shares and the rights and obligations associated with such new Company Shares, in particular in relation to pre-emption rights and trading and settlement of such shares. In addition, a Cayman Islands company whose shares are listed on the Exchange may be subject to differing legal (including corporate takeovers), taxation, corporate governance and accounting rules and regulations to that of a UK company on AIM. The Scheme Document will contain a summary of the key differences.

### *Conclusion*

The Independent Plethora Director has considered the factors above in evaluating the Transaction in relation to its value and the prospects provided by the Scheme to Plethora Shareholders as compared to the outlook for Plethora on a standalone basis. **The Independent Plethora Director would strongly urge Plethora Shareholders to consider carefully the material uncertainty as to whether the Plethora Group can continue trading as a going concern, particularly as regards its short term cash requirements, when considering the Transaction.**

### **Independent Plethora Director's Recommendation**

The Independent Plethora Director, who has been so advised by Herax Partners LLP as to the financial terms of the Transaction, considers the terms of the Transaction to be fair and reasonable. In providing advice to the Independent Plethora Director, Herax Partners LLP has taken into account the commercial assessments of the Independent Plethora Director. In addition, the Independent Plethora Director considers the terms of the Transaction to be in the best interests of Plethora Shareholders as a whole.

Accordingly, the Independent Plethora Director intends to recommend that the Plethora Shareholders vote in favour of the Scheme at the Plethora Court Meeting and the resolution(s) to be proposed at the Plethora General Meeting as the Independent Plethora Director has irrevocably undertaken to do in respect of his own beneficial holdings of 1,759,127 Plethora Shares, representing, in aggregate, approximately 0.21 per cent. of the issued ordinary share capital of Plethora in issue on 14 December 2015 (being the last Business Day prior to the publication of this announcement).

### **Irrevocable undertaking and letters of intent**

The Company has received an irrevocable undertaking from the Independent Plethora Director to vote in favour of the Scheme at the Plethora Court Meeting and the resolution(s) to be proposed at the Plethora General Meeting in respect of a total of 1,759,127 Plethora Shares, representing approximately 0.21 per cent. of the issued ordinary share capital of Plethora in issue on 14 December 2015, being the last



Business Day prior to publication of this announcement. Further details of this irrevocable undertaking (including the circumstances in which it will fall away) are set out in Appendix III to this announcement.

In addition and consistent with the Company's announcements on 10 and 13 November 2015, the Company has received letters of intent from Forest Nominees Limited (being the nominee company of Canaccord Genuity Wealth (International) Ltd and on behalf of certain other controllers and beneficial owners) and W B Nominees Limited (being the nominee company of Walker Crips Stockbrokers Limited and in respect of discretionary clients) to vote in favour of the Scheme at the Plethora Court Meeting and the resolution(s) to be proposed at the Plethora General Meeting in respect of a total of 85,652,633 Plethora Shares, representing, in aggregate approximately 10.40 per cent. of Plethora's total issued ordinary share capital and approximately 11.63 per cent. of Plethora's issued ordinary share capital excluding Plethora Shares held by the Company, in each case on 14 December 2015 (being the last Business Day prior to the publication of this announcement). Further details of the letters of intent are set out in Appendix III to this announcement.

The Company has therefore received an irrevocable undertaking and letters of intent in respect of a total of 87,411,760 Plethora Shares representing, in aggregate, approximately 10.62 per cent. of Plethora's total issued ordinary share capital and approximately 11.87 per cent. of Plethora's issued ordinary share capital excluding Plethora Shares held by the Company, in each case on 14 December 2015 (being the last Business Day prior to the publication of this announcement).

### **Management, employees and location**

Following the completion of the Transaction, the existing employment rights, including pension rights, of the management and employees of Plethora will be observed to the extent required by applicable law. The Company's plans for Plethora do not involve any material change in the conditions of employment of Plethora employees. The Company has no plans to change Plethora's places of business.

Following the completion of the Transaction, the management of Plethora will be integrated into the management of the Company. Of particular importance, it is intended that Michael G Wyllie will stay on in his role as Chief Scientific Officer of Plethora, as well as initially becoming a member of the Company's senior management team and will then join the Board as an executive Director at a later date. No incentivisation arrangements have been proposed or agreed in relation to Michael G Wyllie's expected appointment as an executive director of the Company at a later date. Michael G Wyllie will therefore be instrumental to the execution of the commercialisation of PSD502™ following completion of the Transaction. As soon as practical following the Scheme becoming Effective, it is intended that James Mellon, Anthony Baillieu and Greg Bailey will resign as directors of Plethora.

In light of the existing operational experience and familiarity with Plethora's business enjoyed by Jamie Gibson (Executive Director and Chief Executive Officer of Plethora) and James Mellon (Non-Executive Chairman of Plethora), the Company does not consider there to be any need to make significant changes to its management structure.



### Details of the Plethora Issued Share Capital

As at 14 December 2015 (being the latest practicable date prior to the date hereof), there were 823,297,686 Plethora Shares in issue, of which 86,799,490 Plethora Shares are held by the Company, 1,700,000 Plethora Shares are held by Mark Searle and his associates, 156,958,771 Plethora Shares are held by James Mellon and his associates, and 555,600 Plethora Shares are held by Greg Bailey. Consequently and consistent with the Company's announcement on 17 November 2015, it should be noted that the Company and its Concert Parties together hold 29.88 per cent. of Plethora's issued ordinary share capital. Jayne Sutcliffe and Anderson Whamond, being other members of the Declared Concert Party Group, and Anthony Baillieu (and their associates) do not hold any Plethora Shares.

### Details of the Plethora Convertible Instruments

As at 14 December 2015 (being the latest practicable date prior to the date hereof), Plethora has the following Plethora Convertible Instruments convertible into Plethora Shares:

- (i) A loan entered into on 31 March 2015 between James Mellon and Plethora in the amount of £340,000, with an interest rate of 5 per cent. (with the interest accrued and payable quarterly in cash). The principal of the loan is repayable on 31 March 2020 and James Mellon has the right to elect for repayment to be satisfied by the issue of new Plethora Shares, at a price of 2 pence per Plethora Share. If the loan was to be repaid on 31 March 2020 by way of the issue of new Plethora Shares, 17,000,000 Plethora Shares would be issued to James Mellon.
- (ii) On 17 October 2011, Plethora issued warrants to Galloway Limited (an associate of James Mellon), as amended on 18 March 2013, which expire on 31 March 2023. If exercised, the warrants are convertible at a price of 1.25 pence per Plethora Share into an amount of Plethora Shares equal to 5 per cent. of Plethora's fully diluted share capital (which includes Plethora Shares issued under this instrument and all other Plethora Shares capable of being issued under outstanding warrants, options or rights to subscribe), which would be 54,118,431 new Plethora Shares if calculated as at the date of this announcement.
- (iii) On 29 June 2010, Plethora issued warrants to Capital for Enterprise Fund A L.P., as amended on 18 March 2013, which expire on 31 March 2023. If exercised, the warrants are convertible at the nominal value of Plethora Shares (being 1 penny per Plethora Share) into an amount of Plethora Shares equal to 3 per cent. of Plethora's fully diluted share capital (including Plethora Shares issued under this instrument and all other Plethora Shares capable of being issued under outstanding warrants, options or rights to subscribe), which would be 32,471,058 new Plethora Shares if calculated as at the date of this announcement.
- (iv) On 19 September 2014, Plethora issued 101,148,981 fundraising warrants, each convertible into one Plethora Share at a price of 15 pence on or before 19 September 2019. The Company subscribed for 12,649,745 of these warrants.

The instruments described in paragraphs (i) to (iv) are the "**Plethora Convertible Instruments**".



In addition, as at the date of this announcement, the following current and former Plethora Directors held the following awards under the Plethora LTIP that, upon vesting, convert into Plethora Shares on a one-for-one basis: (i) Jamie Gibson, an award in respect of 35,000,000 Plethora Shares; (ii) James Mellon, an award in respect of 1,000,000 Plethora Shares; (iii) Greg Bailey, in respect 1,000,000 Plethora Shares; (iv) Michael Collis, in respect of 1,000,000 Plethora Shares; and (v) Michael G Wyllie, in respect of 16,000,000 Plethora Shares. The awards have not yet vested and will do so subject to certain vesting conditions specified in the award certificates themselves, which include the change of control of Plethora. In addition, an award in respect of 200,000 Plethora Shares is held by the Company Secretary of Plethora.

Furthermore, as at the date of this announcement, an outstanding option in respect of 111,476 Plethora Shares exercisable at the price of 59 pence per Plethora Share on or before 21 June 2016 is held by Michael G Wyllie under the Plethora Option Scheme. In addition, an option in respect of 20,984 Plethora Shares, exercisable at the price of 59 pence per Plethora Share on or before 21 June 2016, is held by the Company Secretary of Plethora under the Plethora Option Scheme.

Participants in the Plethora LTIP, the holders of options under the Plethora Option Scheme and the holders of any Convertible Instruments will, if required, be contacted regarding the effect of the Transaction on their rights under the Plethora LTIP, the Plethora Option Scheme and the Plethora Convertible Instruments respectively and appropriate proposals will be made to such participants and holders in due course. The Transaction will extend to any Plethora Shares which are unconditionally allotted or issued as a result of: (i) the vesting of awards under the Plethora LTIP; (ii) the exercise of any options under the Plethora Option Scheme; and/or (iii) the conversion of any of the Plethora Convertible Instruments, before the date on which the Transaction closes (to be specified in the Circular and in the Scheme Document). Any Plethora Shares which are unconditionally allotted or issued after the date on which the Transaction closes will be acquired automatically by the Company, on the terms of the Transaction, pursuant to the articles of association of Plethora as proposed to be amended at the Plethora General Meeting.

Following the Effective Date, the Plethora Option Scheme, the Plethora LTIP or the Plethora Convertible Instruments will not be capable of diluting the Company's interest in Plethora to below 100 per cent.

### **Revisions to the Transaction**

If, after the date of this announcement but prior to the Effective Date, any dividend or other distribution is declared, paid or made or payable by Plethora, the Company reserves the right (without prejudice to any right of the Company), with the consent of the UK Takeover Panel, to reduce the number of Shares to be issued under the Transaction in respect of a Plethora Share to reflect the aggregate amount of such dividend or distribution. Furthermore, the Company reserves the right to reduce the number of Shares to be issued under the Transaction in respect of a Plethora Share in such circumstances as are, and by such amount as is, permitted by the UK Takeover Panel.

Should the terms of the Transaction be revised with the consent of the UK Takeover Panel, the Company will issue a further announcement and will comply with the requirements of the Exchange Rules (including seeking Shareholders' approval if required).





The Company also reserves the right to implement the acquisition of the entire issued and to be issued ordinary share capital of Plethora by way of an Offer as an alternative to the Scheme. In such event, the Offer will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation, and if agreed with the UK Takeover Panel) the inclusion of an acceptance condition set at 90 per cent. of the shares to which such Offer relates or such lesser percentage, being more than 50 per cent., as the Company may decide).

Further, if sufficient acceptances of such Offer are received and/or sufficient Plethora Shares are otherwise acquired, it would be the intention of the Company to apply the provisions of the Companies Act to acquire compulsorily any outstanding Plethora Shares to which such Offer relates.

### **De-Listing**

Prior to the Transaction becoming Effective, Plethora will make an application to the London Stock Exchange for the cancellation of trading in the Plethora Shares on AIM to take effect from or shortly after the Effective Date. The last day of dealings in Plethora Shares on AIM is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6:00 p.m. on that date.

### **General**

The terms of the Transaction were negotiated with the Independent Plethora Director on an arm's length basis and the Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable having regard to the interests of the Company and the Shareholders as a whole.

It is expected that the Scheme will become Effective in Q1 2016, subject to the satisfaction or waiver of the conditions and further terms to the Transaction. The Transaction will lapse if the Scheme does not become Effective by 30 September 2016 (or such later date as may be agreed between the Company and Plethora, and as the UK Takeover Panel and the UK Court may allow).

The Circular containing, among other things, further details of the Transaction, and notice of EGM, will be despatched to the Shareholders as soon as reasonably practicable and within 28 days of this announcement, unless otherwise extended with the consent of the Exchange.

The Company and Plethora have today jointly released the UK Announcement, also setting out equivalent disclosure in respect of the background to the Transaction and the conditions and further terms to such Transaction.

There are no applicable restrictions to the subsequent sale of any of the Plethora Shares to be acquired under the Transaction.

The Transaction, together with prior acquisitions of Plethora Shares made within the past 12 months, constitutes a very substantial and connected acquisition of the Company under Chapters 14 and 14A of the



Exchange Rules and requires approval of the Independent Shareholders in general meeting of the Company. The Company proposes to seek from the Independent Shareholders at the EGM an approval for the Transaction (including the issuance and allotment of the Consideration Shares).

### **BASIS OF TOTAL CONSIDERATION**

The Exchange Ratio was determined on the basis of normal commercial terms and arm's length negotiations between the parties with reference to the recent market value of Plethora Shares and the strategic benefits of the Transaction as set out in more detail in Section "Background to and Reasons for the Transaction".

If the Transaction becomes Effective and the Company owns 100 per cent. of the issued and to be issued share capital of Plethora, the Company's attributable share of Plethora's: (i) net loss (both before and after taxation for continuing operations) for the financial year ended 31 December 2014 is approximately £15,734,000 (or approximately US\$25,920,000 or HK\$200,981,000); and (ii) net loss (both before and after taxation for continuing operations) for the financial year ended 31 December 2013 is approximately £8,755,000 (or approximately US\$13,700,000 or HK\$106,265,000). For the purpose of this paragraph, the translation of GBP into USD is based on an average exchange rate of 1.6474 and 1.5648 and the translation of USD into HKD is based on an average exchange rate of 7.7539 and 7.7566 for the year ended 31 December 2014, and the year ended 31 December 2013, respectively.

The net liability value of Plethora was £2,857,000 (or approximately US\$4,451,000 or HK\$34,513,000) as at 31 December 2014, as reported in Plethora's latest publicly disclosed audited financial statements for the financial year ended 31 December 2014. For the purpose of this paragraph, the translation of GBP into USD is based on the historical spot exchange rate of 1.5581 and the translation of USD into HKD is based on the historical spot exchange rate of 7.7539 for the year ended 31 December 2014.

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

### **RIGHTS ATTACHING TO THE CONSIDERATION SHARES**

The Consideration Shares will be issued free from all encumbrances and shall rank *pari passu* in all respects with the other Shares in issue at such time.

The Consideration Shares issued pursuant to the Transaction will not be subject to any form of lock-up.

### **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this announcement, the Company has 3,485,730,523 Shares in issue. According to the register kept by the Company under section 336 of the Securities and Futures Ordinance as at the date of this announcement, save for the shareholdings of the Declared Concert Party Group and the Directors and their respective associates, approximately 70.49 per cent. of the existing share capital is held by the public shareholders.



The table below sets out the interests of certain shareholders and groups of shareholders (aggregated for conservative mathematical demonstration only, and not in any way to recognise the existence of any Hong Kong concert party relationship) in the Company's existing issued share capital and their interests in the Company's enlarged issued share capital following the Transaction becoming Effective.

Shareholder(s)	Interests in the Company's existing issued share capital (%)	Interests in the Company's enlarged issued share capital following the Transaction becoming Effective (%)
James Mellon and his associates	15.35 per cent.	22.57 per cent.
The Declared Concert Party Group (which includes James Mellon) (and their respective associates)	17.05 per cent.	23.91 per cent.
The Company Directors together with the Declared Concert Party Group (and their respective associates)	29.50 per cent.	29.68 per cent.
Independent Plethora Director (being Michael G Wyllie)	Nil	1.59 per cent.
Anthony Baillieu and Greg Bailey, being non-executive directors of Plethora	0.0057 per cent.	0.14 per cent.
Baker Brothers Advisors	Nil	5.00 per cent.
Maven Capital Partners UK LLP	Nil	7.97 per cent.
Other Shareholders	70.49 per cent.	55.63 per cent.

Notes: The table above has been prepared on the following assumptions:

- No Plethora Shares are issued between the date of this announcement and the Effective Date (including pursuant to the Plethora Option Scheme, Plethora LTIP and Plethora Convertible Instruments).
- 11,568,619,063 Consideration Shares are issued to Plethora Shareholders pursuant to the Transaction.
- 2,478,494,176 Consideration Shares are issued to the holders of the Plethora Convertible Instruments (excluding the out-of-money outstanding options under the Plethora Option Scheme and fundraising warrants which form part of the Plethora Convertible Instruments) and the holders of awards under the Plethora LTIP.
- Other than the issue of the Consideration Shares, there will be no further Shares issued by the Company between the date of this announcement and the Effective Date.

As noted, the Company continues to comply with the public float requirement prescribed in the Exchange Rules for the Company.

To the best of the Directors' knowledge, having made reasonable enquiry, none of the Plethora Shareholders (ignoring, for these purposes, the Declared Concert Party Group, Jamie Gibson, Mark Searle, Anthony Baillieu and Greg Bailey and their respective associates) have any intention of entering into any kind of formal or informal arrangement between themselves or with the existing Shareholders (including the Declared Concert Party Group) to actively cooperate to obtain or consolidate control of the Company (i.e. the definition of "acting in concert" under the HK Takeover Code).



An application will be made by the Company to the Exchange for the listing of and permission to deal in the Consideration Shares.

### **FINANCIAL EFFECTS OF THE TRANSACTION ON THE GROUP**

The Directors do not expect that the Transaction will have any material adverse effect on the consolidated results of the Group.

### **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The Company is a diversified investment group currently holding various corporate and strategic investments across the healthcare and life sciences sectors, which has become its core focus, as well as legacy investments in the natural resources sector. Earlier in 2015, the Company disposed of a majority of its interest in Binary Holdings Ltd., and, where possible and practicable, intends to sell its remaining non-healthcare and life sciences assets in the near future and focus all its attentions on its new healthcare and life sciences strategy.

The Company has generated average cash returns over the term of investment of nearly two times on material investment disposals (where the Company's investment was US\$1 million (or approximately HK\$7.8 million) or more) over the last 6.5 years. This includes a 12.9 times cash return on the disposal of 938,978 shares in Binary Holdings Ltd in April 2015 for an aggregate consideration of US\$15 million (or approximately HK\$116.3 million) and a 2.2 times cash return on the disposal of the Company's entire investment in BC Iron Limited in 2013 for an aggregate consideration of US\$88.8 million (or approximately HK\$688.3 million). The Company also has a marked-to-market unrealised gain of 35.7 per cent. on its position in Endeavour Mining Corporation for the six months ended 30 June 2015.

The Company's Total Shareholder Returns since January 2009 are set out in the table below:

<b>Date</b>	<b>Total Shareholder Returns (%)</b>
January 2009	0.00
July 2009	166.36
January 2010	105.32
July 2010	100.88
January 2011	304.76
July 2011	252.19
January 2012	151.27
July 2012	134.43
January 2013	248.65
July 2013	146.89
January 2014	166.84
July 2014	166.84
January 2015	139.41
July 2015	184.30

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the Main Board of the Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The Company's headquarters are in Hong Kong and the Group (including subsidiaries but excluding associates) employed approximately 19 employees at 30 June 2015.

As has been previously disclosed, the Company is currently in dispute with the Australian tax authorities in connection with a disposal by the Group of an investment in BC Iron Limited, a company listed on the Australian Securities Exchange. The Australian Taxation Office considered that capital gains tax was payable in the amount of approximately A\$12.78 million (equivalent to approximately US\$9.27 million, £6.13 million or HK\$71.87 million), which excludes interest that has accrued on this amount since 2 December 2013 which, as at 2 November 2015, was approximately A\$2.57 million (equivalent to approximately US\$1.86 million, £1.23 million or HK\$14.45 million). On 24 January 2013, the Company received orders from the Federal Court of Australia in relation to a notice of assessment issued by the Australian Taxation Office (the "**Assessment**"), which stated that the tax was due and payable on 2 December 2013 and provided that the Company could not remove from Australia or dispose of, deal with or diminish the value of its assets in Australia up to the unencumbered value of the amount assessed.

Following orders from the Federal Court of Australia, the Company has granted a specific security deed to the Commonwealth of Australia in respect of certain of the Company's holding of 518,103,930 shares in Venturex Resources Limited, 10,854,568 shares in Bannerman Resources Limited and 12,700,000 shares in Tigers Realm Coal Limited, of which the aggregate market value (as at 31 October 2015) is





approximately US\$2.9 million (equivalent to approximately £1.9 million or HK\$22.5 million) as security against the Assessment. In consideration for granting this security, the Commissioner of Taxation stayed recovery action in respect of the Assessment until the matter is resolved.

The Company has received independent tax advice that, based on a valuation of BC Iron Limited's real property (including mining tenements) and non-real property assets, the Company has a basis for challenging the assessment in its entirety and, accordingly, there is no longer a provision in the Company's financial statements relating to this dispute. The Company has shared its independent tax advice with the Commissioner of Taxation. The Company has received a copy of a report produced by an external consultant for the Commissioner of Taxation and understands that there are a number of matters of material disagreement, or on which a materially different view is held, between the Commissioner of Taxation's external consultant and the Company and its Australian tax advisers. The dispute is due to enter a formal dispute resolution process.

For the six months ended 30 June 2015, the Group recorded a net profit of US\$0.1 million (or approximately HK\$ 0.8 million) and as of 30 June 2015 had net assets exceeding US\$49.1 million (or approximately HK\$380.5 million). As at 2 November 2015, the Company had a net cash and unpledged listed equity securities balance of approximately US\$13.7 million (or approximately HK\$106.2 million).

James Mellon is the Non-Executive Chairman of Plethora and Non-Executive Co-Chairman of the Company, and Jamie Gibson is an Executive Director and Chief Executive Officer of both Plethora and the Company.

## **PRINCIPAL BUSINESS ACTIVITIES OF PLETHORA**

Plethora is a UK-based speciality pharmaceutical company dedicated to the development and marketing of products for the treatment and management of urological disorders. Plethora's shares are quoted on AIM.

Plethora's principal product is PSD502™, which is a prescription treatment for male premature ejaculation that obtained marketing authorisation from the EMA, as formally granted by the European Commission, in November 2013.

For the six months ended 30 June 2015, Plethora made a loss of £493,000 (or approximately US\$746,000 or HK\$5.78 million) and had a cash balance as at 30 June 2015 of £2.8 million (or approximately US\$4.2 million or HK\$32.8 million). As at 4 December 2015, the financial records of Plethora stated that the cash balance was approximately £0.56 million (or approximately US\$0.85 million or HK\$6.57 million).

In September 2014, Plethora entered into its first commercialisation agreement with the pharmaceutical group Recordati. The agreement covers the commercialisation of PSD502™ in Europe, Russia and the Commonwealth of Independent States, Turkey and certain countries in North Africa. Under the terms of the agreement Recordati paid Plethora an initial €5 million (or approximately US\$5.5 million or HK\$42.7 million) milestone payment in November 2014. In addition, Recordati is obliged to pay Plethora the following amounts:



- a payment of €6 million (or approximately US\$6.6 million or HK\$51.2 million) upon grant of the variant approval from the EMA by 30 June 2016 for the new six dose canister (reduced filled can);
- a payment of up to €10 million (or approximately US\$11 million or HK\$85.4 million) in total upon first commercial sales of PSD502™ in France, Germany, Italy, Spain and Portugal (being payment of €2 million (or approximately US\$2.2 million or HK\$17.1 million) for each of these 5 countries);
- up to €25 million (or approximately US\$27.5 million or HK\$213.4 million) in aggregate in sales-based milestones ("**Milestone Payments**", see further below); 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 percentage royalty rate.

The first Milestone Payment of €5 million (or approximately US\$5.5 million or HK\$42.7 million) is due when cumulative net sales of PSD502™ by Recordati or its affiliates exceed €100 million (or approximately US\$110.2 million or HK\$853.8 million). Further sales based milestones are set for after this, with the full payment of €25 million (or approximately US\$27.5 million or HK\$213.4 million) being due to Plethora when cumulative net sales of PSD502™ by Recordati or its affiliates exceed €450 million (or approximately US\$495.7 million or HK\$3,841.9 million).

Under the agreement with Recordati, Recordati will assume responsibility for commercialisation activities in the Recordati territory and will fund all costs associated with the: (i) sales and marketing programmes; and (ii) regulatory filings that it intends to pursue.

The agreement with Recordati is for an indefinite period and contains customary provision in respect of termination. In addition, the agreement contains various warranties and indemnities as are customary for such an agreement.

Development of the reduced fill can is progressing to schedule with the manufacture of all three good manufacturing practice product ("**GMP**") batches successfully completed earlier this month by Pharmaserve. The three GMP batches will now be placed on stability with Catalent. Plethora's management believes that the commercial launch of the reduced filled can PSD502™ is expected to take place in the EU during the latter half of 2016, to coincide with the availability of the first commercial production batches and Recordati's pre-launch marketing processes.

Plethora's management believes the premature ejaculation market will in due course be worth between US\$500 million and US\$3 billion.

Plethora's management is focused on commercialising PSD502™ with other strategic marketing partners and obtaining NDA approval for PSD502™ with the FDA.



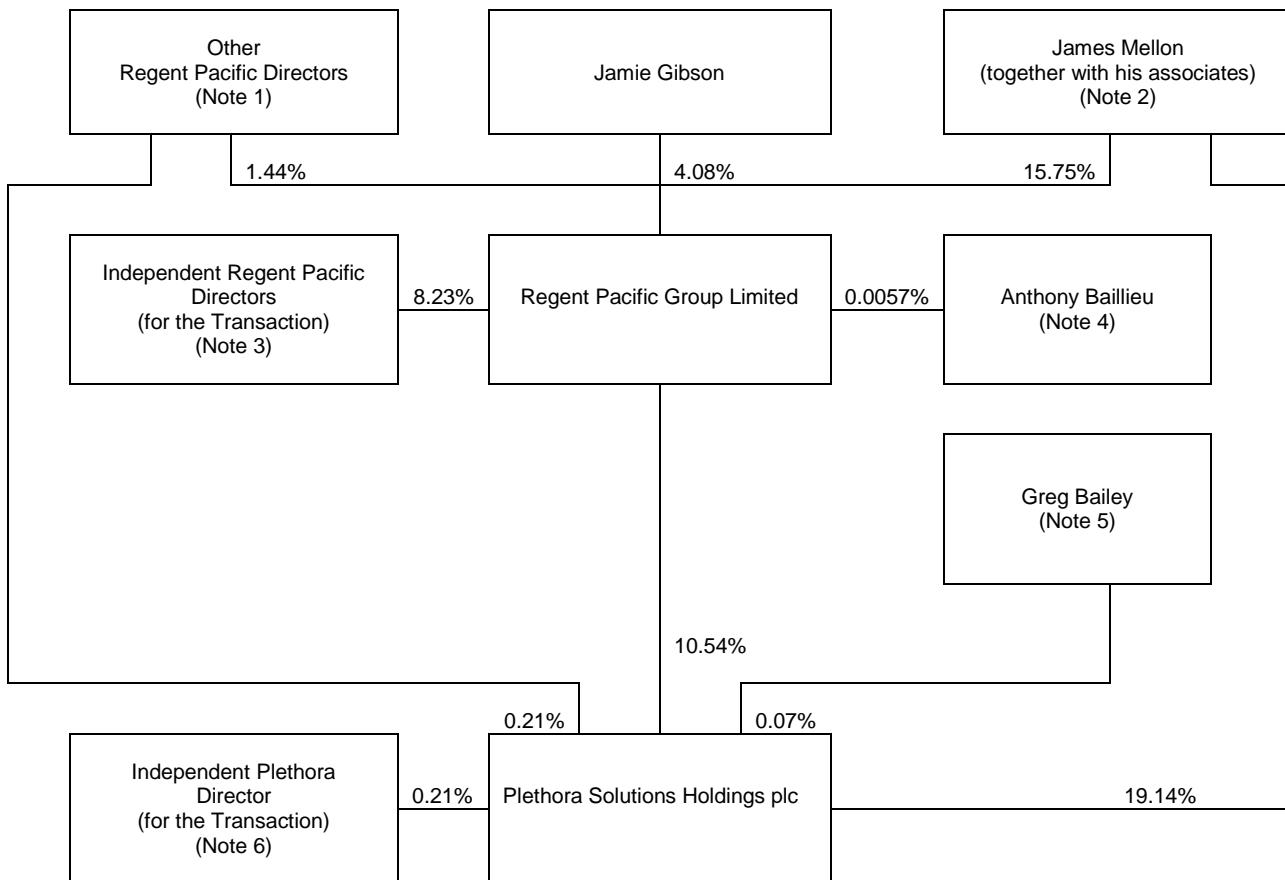
The board of directors of Plethora consists of James Mellon (Non-Executive Chairman), Jamie Gibson (Executive Director and Chief Executive Officer), Michael G Wyllie (Chief Scientific Officer), Greg Bailey (Non-Executive Director) and Anthony Baillieu (Non-Executive Director).

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).



**STRUCTURE OF THE TRANSACTION**

**Before the Transaction becoming Effective**



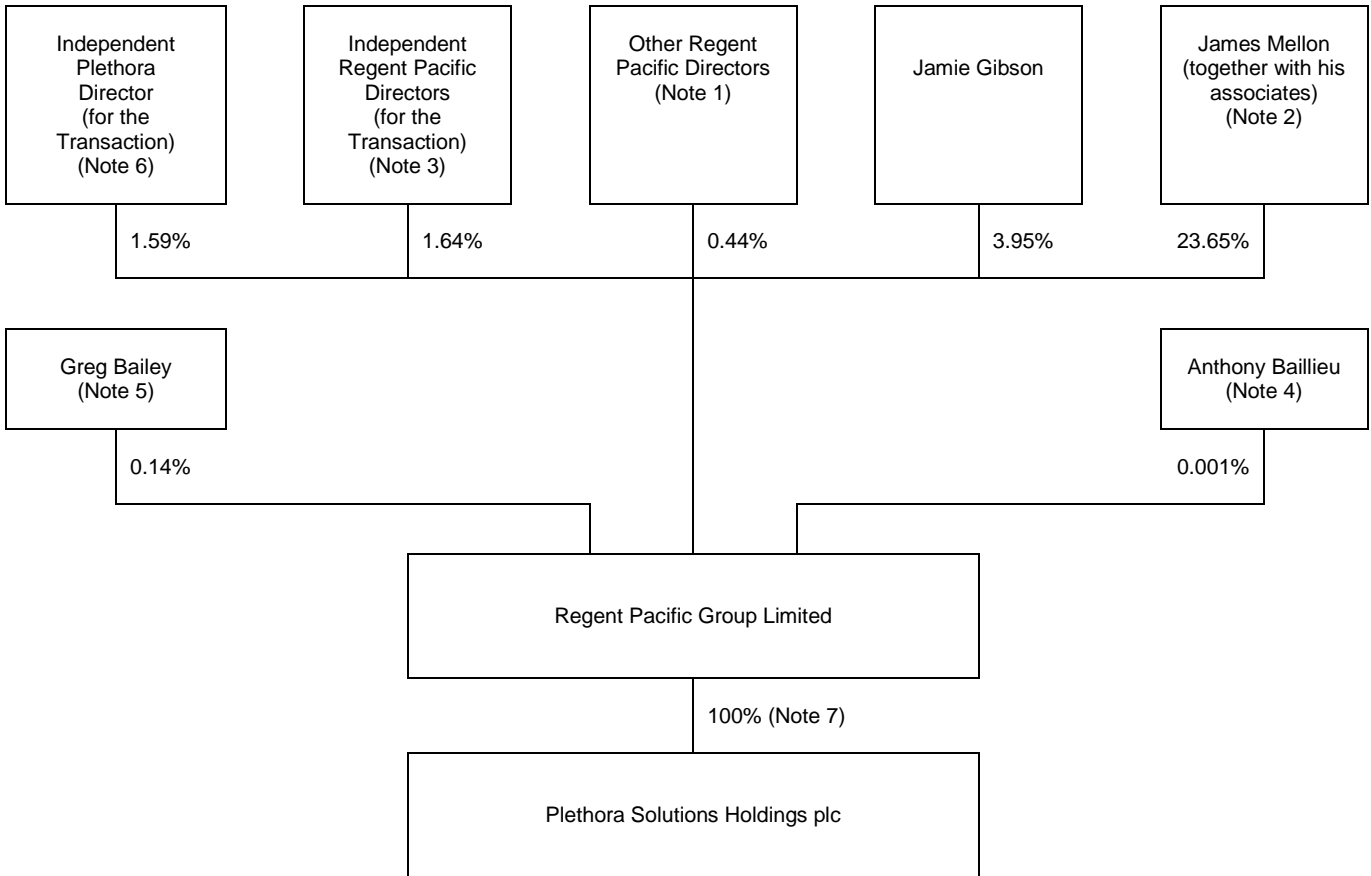
**Notes:**

1. Being Company Directors who, pre-Transaction, either held shares in Plethora (Mark Searle) or were members of the Declared Concert Party Group (Jayne Sutcliffe).
2. To include the holdings of: (i) James Mellon's parents (being Sir James Mellon and Lady Philippa Mellon), whose interests held in the Company were not and are not required to be disclosed under James Mellon's interests pursuant to the Securities and Futures Ordinance; (ii) Galloway Limited (an affiliate of James Mellon); (iii) Port Erin Biopharma Investments Limited (James Mellon being a 29 per cent. shareholder and chairman – while not strictly an "associate" under the Exchange Rules); (iv) ARBB AG (James Mellon being a 40.91 per cent. shareholder through another of his affiliates, Burnbrae Group Limited); and (v) Anderson Whamond (a member of the "Declared Concert Party Group").
3. The independent Company Directors for the purpose of the Transaction are: (i) Stephen Dattels; (ii) David Comba; and (iii) Julie Oates.
4. Anthony Baillieu, who was appointed as a non-executive director of Plethora on 12 May 2015, was formerly a Director of the Company having resigned in October 2005 but remains as a director of two of the Company's dormant and 51.99 per cent owned subsidiaries (being AstroEast.com Limited and AstroEast.com (Hong Kong) Limited), holding such positions since January 2000.
5. Greg Bailey does not form part of Declared Concert Party Group and is not an Independent Plethora Director.
6. The Independent Plethora Director for the purpose of the Transaction is Michael G Wyllie.
7. Assuming that the Company or Plethora does not issue any new shares between the date of this announcement and the Effective Date, other than the issue of Consideration Shares by the Company under the Transaction.

The diagram assumes that the Company or Plethora does not issue any new shares between the date of this announcement and the Effective Date (including in connection with the Plethora Convertible Instruments, Plethora LTIP and Plethora Option Scheme), other than the issue of Consideration Shares by the Company under the Transaction.



**After the Transaction is Effective**



**Notes:**

1. Being Company Directors who, pre-Transaction, either held shares in Plethora (Mark Searle) or were members of the Declared Concert Party Group (Jayne Sutcliffe).
2. To include the holdings of: (i) James Mellon's parents (being Sir James Mellon and Lady Philippa Mellon), whose interests held in the Company were not and are not required to be disclosed under James Mellon's interests pursuant to the Securities and Futures Ordinance; (ii) Galloway Limited (an affiliate of James Mellon); (iii) Port Erin Biopharma Investments Limited (James Mellon being a 29 per cent. shareholder and chairman – while not strictly an "associate" under the Exchange Rules); (iv) ARBB AG (James Mellon being a 40.91 per cent. shareholder through another of his affiliates, Burnbrae Group Limited); and (v) Anderson Whamond (a member of the "Declared Concert Party Group").
3. The independent Company Directors for the purpose of the Transaction are: (i) Stephen Dattels; (ii) David Comba; and (iii) Julie Oates.
4. Anthony Baillieu, who was appointed as a non-executive director of Plethora on 12 May 2015, was formerly a Director of the Company having resigned in October 2005 but remains as a director of two of the Company's dormant and 51.99 per cent owned subsidiaries (being AstroEast.com Limited and AstroEast.com (Hong Kong) Limited), holding such positions since January 2000.
5. Greg Bailey does not form part of Declared Concert Party Group and is not an Independent Plethora Director.
6. The Independent Plethora Director for the purpose of the Transaction is Michael G Wyllie.
7. It assumes that the Company acquires all the shares that it does not presently own in Plethora by way of the Transaction.

The diagram assumes that the Company or Plethora does not issue any new shares between the date of this announcement and the Effective Date (including in connection with the Plethora Convertible Instruments, Plethora LTIP and Plethora Option Scheme), other than the issue of Consideration Shares by the Company under the Transaction.



## **EXPECTED TIMETABLE OF THE TRANSACTION**

The Transaction will lapse if the Scheme does not become Effective by 30 September 2016 (or such later date as may be agreed between the Company and Plethora, and as the UK Takeover Panel and the UK Court may allow). A detailed timetable will be announced when the Circular and Scheme Document are published.

## **VERY SUBSTANTIAL AND CONNECTED TRANSACTION**

The Transaction, together with prior acquisitions of Plethora Shares made within the past 12 months, constitutes a very substantial acquisition for the Company and is subject to reporting, announcement and shareholders' approval requirements under the Exchange Rules.

In addition, given that: (i) James Mellon (Non-Executive Co-Chairman of the Company currently holding, by himself and his associates, 15.35 per cent. of the total issued share capital of the Company); (ii) Jamie Gibson (Executive Director and Chief Executive Officer of the Company currently holding, by himself, 4.08 per cent. of the total issued share capital of the Company); and (iii) Mark Searle (Independent Non-Executive Director of the Company currently holding, by himself and his associate, 0.14 per cent. of the total issued share capital of the Company) are all shareholders and/or holders of the Plethora Convertible Instruments and/or awards under the Plethora LTIP and, in the case of James Mellon and Jamie Gibson, directors of Plethora, are connected persons of the Group, the Transaction will constitute a connected transaction of the Company under Chapter 14A of the Exchange Rules and is therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Exchange Rules.

Furthermore, Anthony Baillieu, who was appointed as a non-executive director of Plethora on 12 May 2015, was formerly a Director of the Company having resigned in October 2005, but remains as a director of two of the Company's dormant subsidiaries (being AstroEast.com Limited and AstroEast.com (Hong Kong) Limited), holding such positions since January 2000. Mr Baillieu currently holds, through a nominee company owned by his family, but to his own individual account, 0.0057 per cent. of the total issued share capital of the Company.





In respect of the Plethora Shares (issued and to be issued) held by the connected persons, which will be included and acquired pursuant to the Transaction, it is noted that:

- (a) James Mellon (by himself and his associates) currently holds 156,958,771 issued Plethora Shares and rights in respect of 72,118,431 to-be-issued Plethora Shares, which were acquired at an aggregate consideration of £4,391,531 or 1.917 pence per Plethora Share, as detailed below:
- (i) In October 2011 – an aggregate of 16,000,000 Plethora Shares at 2.5 pence per Plethora Share, for an aggregate consideration of £400,000;
  - (ii) In June 2012 – an aggregate 5,000,000 Plethora Shares at 5 pence per Plethora Share, for an aggregate consideration of £250,000;
  - (iii) In April 2013 – an aggregate of 31,600,000 Plethora Shares at 2 pence per Plethora Share, for an aggregate consideration of £632,000;
  - (iv) In April 2013 – an aggregate of 4,667,808 Plethora Shares at 2 pence per Plethora Share in lieu of payment of accrued interest in respect of certain previous loans owed by Plethora, for an aggregate consideration of £93,356;
  - (v) In April 2013 – an aggregate of 845,000 Plethora Shares at 2 pence per Plethora Share in lieu of payment of directors' fees, for an aggregate consideration of £16,900;
  - (vi) In November 2013 – an aggregate of 413,991 Plethora Shares at 2.18 pence per Plethora Share in lieu of payment of directors' fees, for an aggregate consideration of £9,025;
  - (vii) In November 2013 – an aggregate of 47,725 Plethora Shares at 12.75 pence per Plethora Share in lieu of payment of directors' fees, for an aggregate consideration of £6,085;
  - (viii) On 31 March 2015 – an aggregate of 98,384,247 Plethora Shares at 2 pence per Plethora Share in lieu of payment of previous outstanding loans, together with accrued interest in respect of the amounts owed by Plethora, for an aggregate consideration of £1,967,685;
  - (ix) On 31 March 2015 – a convertible loan in the amount of £340,000 repayable on 31 March 2020, with an interest rate of 5 per cent. per annum (with the interest accrued and payable quarterly in cash), which may otherwise be converted into an aggregate of 17,000,000 Plethora Shares at 2 pence per Plethora Share;
  - (x) On 22 December 2014 – an award under the Plethora LTIP in respect of 1,000,000 Plethora Shares, which was awarded at no consideration; and
  - (xi) On 17 October 2011 – warrants, which may otherwise be converted into an aggregate of 54,118,431 Plethora Shares at 1.25 pence per Plethora Share at an aggregate consideration of £676,480;



- (b) Jamie Gibson currently holds an award under the Plethora LTIP in respect of 35,000,000 Plethora Shares, which was awarded at no consideration; and
- (c) Mark Searle (by himself and his associates) currently holds 1,700,000 issued Plethora Shares, which were acquired for an aggregate consideration of £57,651 or 3.39 pence per Plethora Share, as detailed below:
  - (i) In November 2012 – an aggregate of 700,000 Plethora Shares for an aggregate consideration of £37,381 (or at an average price of 5.34 pence; and
  - (ii) In March 2013 – an aggregate of 1,000,000 Plethora Shares for an aggregate consideration of £20,270 (or at an average price of 2.027 pence).

Save for the above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Plethora and its/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.

Completion of the Transaction is conditional upon, *inter alia*, the approval by a simple majority of the Independent Shareholders present and voting (in person or by proxy) at the EGM of the Transaction (including the issuance and allotment of the Consideration Shares).

## **SOURCES OF FUNDS AND WORKING CAPITAL**

Given that the Transaction involves an all-share offer to acquire the issued and to be issued Plethora Shares that the Company does not already own, the Transaction, save for any fees incurred, does not involve the payment of cash consideration.

Structuring the acquisition by way of the issue of the Consideration Shares is regarded by the Group as being a sensible and appropriate method of payment for the Transaction.

## **REMUNERATION ARRANGEMENTS – JAMIE GIBSON**

A number of discussions took place during 2014 and in 2015 between the members of the Plethora Remuneration Committee in relation to the large time commitment of Jamie Gibson as CEO of Plethora and the level of his remuneration being inadequate for the role he was performing. A consultancy agreement was originally entered into between the Company and Plethora on 1 November 2013, under which the Company agreed to make available Jamie Gibson (or such other suitably qualified individual) to carry out such services and duties relating to Plethora as may be agreed between the Company and Plethora from time to time (the "**Consultancy Agreement**"). The amount payable by Plethora to the Company under the Consultancy Agreement was £36,000 (or approximately US\$54,468 or HK\$422,176) per annum from 1 January 2014 to 31 December 2014 and £50,000 (or approximately US\$75,650 or HK\$586,356) per annum from 1 January 2015 onwards.



On 30 September 2015, the Plethora Remuneration Committee (comprising James Mellon and Anthony Baillieu) agreed to award Jamie Gibson a salary of £200,000 (or approximately US\$302,600 or HK\$2,345,422) per annum less the amount of the payment made by Plethora to the Company under the Consultancy Agreement, with effect retrospectively from 1 January 2014 to reflect his substantial services to Plethora since that date (the “**CEO Salary**”).

As a result, on 22 October 2015, a payment of £276,497 (or approximately US\$418,340 or HK\$3,242,511) was made by Plethora to Jamie Gibson for his services since 1 January 2014 (the “**Retrospective Salary Payment**”). This amount represents (i) £164,000 (or approximately US\$248,132 or HK\$1,923,246) for the calendar year ended 31 December 2014 (being £200,000 (or approximately US\$302,600 or HK\$2,345,422) less £36,000 (or approximately US\$54,468 or HK\$422,176) paid to the Company pursuant to the terms of the Consultancy Agreement) and (ii) £112,497 (or approximately US\$170,208 or HK\$1,319,265) for the 9 months from 1 January 2015 to 30 September 2015 (being 9/12 of £200,000 (or approximately US\$302,600 or HK\$2,345,422) less £37,503 (or approximately US\$56,742 or HK\$439,802) paid to the Company for the same period pursuant to the terms of the Consultancy Agreement).

The Independent Plethora Director considers the quantum of the CEO Salary and the Retrospective Salary Payment, to be fair and reasonable for a CEO of Plethora (also taking into account the amounts payable to the Company under the Consultancy Agreement), reflects the fact that Jamie Gibson’s actual time commitment since 1 January 2014 has been considerably higher than expected and considers that the salary brings Jamie Gibson’s remuneration to a reasonable level.

Herax Partners LLP, which is acting as the independent financial adviser to Plethora, considers the quantum of the CEO Salary and the Retrospective Salary Payment, for the purposes of Rule 16 of the UK Takeover Code, to be fair and reasonable. In providing advice to the Independent Plethora Director, Herax Partners LLP has taken into account the commercial assessments of the Plethora Directors.

## **DISCLOSURE OF INTERESTS IN PLETHORA**

As announced on 17 November 2015, the Company made an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.1(a) of the UK Takeover Code, on 17 November 2015, which also included all relevant details in respect of all persons acting in concert with the Company.



## GENERAL

The Transaction will be made on the terms and subject to the conditions and further terms set out in Appendix I to this announcement. The sources of information and bases of calculations contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertaking and letters of intent is contained in Appendix III to this announcement.

The Scheme will be governed by English law and subject to the applicable rules and regulations of the London Stock Exchange, the UK Takeover Panel and the FCA. The Consideration Shares are not being offered to the public by means of this announcement or the UK Announcement. Neither this announcement nor the UK Announcement constitutes an offer or an invitation to purchase or subscribe for any securities.

The Circular containing, among other things, further details of the Transaction, and notice of the EGM, will be despatched to the Shareholders as soon as reasonably practicable and within 28 days of this announcement, unless otherwise extended with the consent of the Exchange.

Pursuant to the Exchange Rules, the Company is required to set out in the Circular, among other things, an accountant's report on the Plethora Group setting out financial information for at least the last three completed financial years and any additional interim period ended within six months from the date of the Circular, an indebtedness statement of the Enlarged Group, a working capital sufficiency statement of the Enlarged Group, details of any material litigation of which Plethora is a party or otherwise enjoined and any material contracts of Plethora.

In addition, the Company will include a "Risk Factor" section in the Circular that identifies both the specific and general risks that it considers relevant to Shareholders and investors alike in respect of the Transaction.

An EGM will be convened by the Company inviting Independent Shareholders to consider and, if thought fit, approve the Transaction (including the issuance and allotment of the Consideration Shares).

Given their interests in Plethora, James Mellon, Jamie Gibson, Mark Searle and Anthony Baillieu (and their respective associates, including members of the Declared Concert Party Group) will be required to abstain from voting in respect of the resolution(s) to be presented at the EGM.

No other shareholders shall be required to abstain from voting in respect of any of the resolution(s).

The Company will issue further announcements informing Shareholders and potential investors about the progress being made in respect of the Transaction as and when appropriate or required.

## INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee has been established by the Company, comprising David Comba and Julie Oates, both Independent Non-Executive Directors, who will advise the Independent Shareholders on the Transaction.



Altus Capital Limited has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee on the Transaction. A letter from the Independent Financial Adviser setting out their advice and recommendations to the Independent Shareholders will be included in the Circular.

**As completion of the Transaction is subject to the fulfilment of a number of conditions, including approval from the Independent Shareholders, the Transaction may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

<b>“AUD” or “A\$”</b>	Australian dollars, the lawful currency in Australia
<b>“AIM”</b>	the Alternative Investment Market, a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the “AIM Rules for Companies” as published by the London Stock Exchange
<b>“acting in concert”</b>	has the meaning ascribed to it under the HK Takeover Code
<b>“associates”</b>	shall have the meaning defined in the Exchange Rules
<b>“Authorisations”</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
<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 London, England
<b>“Catalent”</b>	Catalent Pharma Solutions, LLC, a subsidiary of Catalent, Inc., a corporation incorporated in Delaware and whose shares are traded on the New York Exchange
<b>“Circular”</b>	the very substantial and connected acquisition circular to be issued by the Company to Shareholders in relation to the Transaction pursuant to the Exchange Rules
<b>“Company” or “Regent Pacific”</b>	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed



on the Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange

<b>“Companies Act”</b>	The Companies Act 2006, as amended
<b>“Concert Parties”</b>	all Directors, together with the Declared Concert Party Group, Anthony Baillieu and Greg Bailey (and their respective associates), for the purposes of the UK Takeover Code in respect of the Transaction
<b>“Confidentiality Agreement”</b>	has the meaning given to it in the paragraph headed “Confidentiality Agreement” in this announcement
<b>“connected person(s)”</b>	shall have the meaning defined in Chapter 14A of the Exchange Rules
<b>“Consideration Shares”</b>	up to 14,047,113,239 new Shares to be issued credited as fully paid by the Company pursuant to the Transaction
<b>“control”</b>	has the meaning ascribed to it under the HK Takeover Code
<b>“Cost Indemnity”</b>	has the meaning given to it in the paragraph headed “Cost Indemnity” in this announcement
<b>“Dealing Disclosure”</b>	has the meaning given in Rule 8 of the UK Takeover Code
<b>“Declared Concert Party Group”</b>	James Mellon and Jayne Sutcliffe (both Directors), together with Anderson Whamond who are regarded as acting in concert for the purpose of the HK Takeover Code and have registered the combined voting rights of the Company held by them (being 589,933,006 Shares in aggregate) with the SFC under the transitional provisions in Rule 26.6 of the HK Takeover Code
<b>“Director(s)” or “Company Director(s)”</b>	the directors of the Company
<b>“Disclosed”</b>	the information disclosed by, or on behalf of Plethora, (i) in the annual report and accounts of the Plethora Group for the financial year ended 31 December 2014; (ii) the Plethora interim results for the six month period ending on 30 June 2015; (iii) in this announcement or in the UK Announcement; or (iv) in any other announcement to a Regulatory Information Service by, or on behalf of Plethora prior to the publication of this announcement or the UK Announcement





<b>“Effective”</b>	in the context of the Transaction: (i) if the Transaction is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Transaction is implemented by way of an Offer, the Offer having been declared or having become unconditional in all respects in accordance with the requirements of the UK Takeover Code
<b>“Effective Date”</b>	the date on which the Transaction becomes Effective
<b>“EGM”</b>	an extraordinary general meeting of the Company to be held to consider and approve the Transaction (including the issuance and allotment of the Consideration Shares), the details of which will be set out in the Circular
<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>“Enlarged Group”</b>	the Group and the Plethora Group following the Transaction becoming Effective
<b>“EU”</b>	the European Union
<b>“Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Exchange Ratio”</b>	means for each Plethora Share, 15.7076 new Consideration Shares which Plethora Shareholders will be entitled to under the terms of the Transaction and, where permitted, any subsequent revision to such ratio
<b>“Exchange Rules”</b>	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
<b>“EUR” or “€”</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>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000



<b>“GBP” or “£”</b>	Great British Pounds, the lawful currency in the UK
<b>“Group”</b>	the Company and its subsidiaries
<b>“Herax Partners LLP”</b>	Herax Partners LLP is an independent investment banking firm providing corporate finance advice to Plethora and the Independent Director and is authorised and regulated by the Financial Conduct Authority
<b>“HKD” or “HK\$”</b>	Hong Kong dollars, the lawful currency in Hong Kong
<b>“HK Takeover Code”</b>	The Hong Kong Codes on Takeovers and Mergers and Share Repurchases
<b>“HKFRS”</b>	the Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants
<b>“Hong Kong Main Board”</b>	the Main Board of the Exchange
<b>“IFRS”</b>	the International Financial Reporting Standards
<b>“Independent Plethora Director”</b>	Michael G Wyllie
<b>“Independent Regent Pacific Director(s)”</b>	David Comba and Julie Oates
<b>“Independent Shareholder(s)”</b>	Shareholders other than the Declared Concert Party Group, Jamie Gibson, Mark Searle, Anthony Baillieu and Greg Bailey (and their respective associates)
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Drug Application” or “NDA”</b>	the process through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing in the US
<b>“Offer”</b>	if (subject to the consent of the UK Takeover Panel) the Company elects to effect the Transaction by way of a takeover offer (as such term is defined in section 974 of the Companies Act), the offer to be made by or on behalf of the Company to acquire the entire issued and to be issued ordinary share capital of Plethora on the terms and subject to the conditions to be set out in the related offer document



<b>“Offer Period”</b>	the offer period (as defined by the UK Takeover Code) relating to Plethora which commenced on 4 November 2015 immediately following the release of the Possible Offer Announcement
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the UK Takeover Code
<b>“Overseas Plethora Shareholders”</b>	Plethora Shareholders (or nominees of, or custodians or trustees for Plethora Shareholders) not resident in, or nationals or citizens of the United Kingdom
<b>“penny” or “pence”</b>	Great British penny or pence, the lawful currency in the UK
<b>“Pharmaserve”</b>	Pharmaserve (North West) Ltd, a private limited company registered in England and Wales with registered number 06368662
<b>“Plethora”</b>	Plethora Solutions Holdings plc, a limited liability company incorporated in England and Wales with registered number 05341366 and whose securities are admitted to trading on AIM
<b>“Plethora Board”</b>	the board of directors of Plethora
<b>“Plethora Convertible Instruments”</b>	has the meaning given to it in the paragraph headed “Details of the Plethora Convertible Instruments” of this announcement
<b>“Plethora Court Meeting”</b>	the meeting of the Plethora Shareholders to be convened pursuant to an order of the UK Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof
<b>“Plethora Director(s)”</b>	the directors of Plethora
<b>“Plethora Forms of Proxy”</b>	forms of proxy in connection with each of the Plethora Court Meeting and the Plethora General Meeting, which will accompany the Scheme Document
<b>“Plethora General Meeting”</b>	the general meeting of Plethora Shareholders (including any adjournment thereof) to be convened in connection with the Scheme
<b>“Plethora Group”</b>	Plethora and its subsidiaries
<b>“Plethora LTIP”</b>	the Plethora Solutions Holdings plc Long Term Incentive Plan



<b>“Plethora Meetings”</b>	the Plethora Court Meeting and the Plethora General Meeting
<b>“Plethora Option Scheme”</b>	the Plethora Solutions Holdings plc Executive Share Option Scheme
<b>“Plethora Remuneration Committee”</b>	the remuneration committee of the Plethora Board
<b>“Plethora Shareholder(s)”</b>	the holder, or the holders, of Plethora Shares
<b>“Plethora Share(s)”</b>	the fully paid ordinary shares of 1 pence each in the capital of Plethora
<b>“Possible Offer Announcement”</b>	the joint announcement by the Company and Plethora regarding a possible offer for Plethora by the Company dated 4 November 2015 to both the Exchange as well as on AIM
<b>“PSD502™”</b>	Plethora’s proprietary product for the treatment for premature ejaculation PSD502™
<b>“Recordati”</b>	Recordati Ireland Ltd, a subsidiary of Recordati S.p.A
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales
<b>“Restricted Jurisdiction”</b>	the United States and any other jurisdiction where the extension or availability of the Transaction would break any applicable law
<b>“Restricted Overseas Person”</b>	Plethora Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Plethora and the Plethora Shareholders (other than the Company) in connection with the Transaction, with or subject to any modification, addition or condition approved or imposed by the UK Court and agreed by Plethora and the Company
<b>“Scheme Document”</b>	the document to be sent to Plethora Shareholders containing, <i>inter alia</i> , the Scheme and the notices convening the Plethora Meetings
<b>“Securities and Futures Ordinance”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)



<b>“SEC”</b>	The US Securities and Exchange Commission
<b>“SFC”</b>	Securities and Futures Commission of Hong Kong
<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 Open Market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“Significant Interest”</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
<b>“Third Party”</b>	Each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
<b>“Total Shareholder Returns”</b>	the combined return to shareholders from dividends and share price movement as a cumulative calculation, with net dividends re-invested on the ex-dividend date
<b>“Transaction”</b>	the proposed acquisition by the Company of the entire issued and to be issued ordinary share capital of Plethora (other than Plethora Shares held by the Group) by means of the Scheme (and other matters to be considered at the Plethora Meetings), or should the Company so elect, by means of an Offer made by or on behalf of the Company for the entire issued and to be issued share capital of Plethora (other than Plethora Shares held by the Group) and, where the context permits, any subsequent revision, variation, extension or renewal thereof
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Announcement”</b>	the joint announcement made or to be made by the Company and Plethora on the date hereof in respect of the Transaction in accordance with Rule 2.7 of the UK Takeover Code
<b>“UK Court”</b>	the High Court of Justice of England and Wales



<b>“UK Court Order”</b>	the order of the UK Court approving the Scheme
<b>“UK Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“UK Takeover Panel”</b>	the Panel on Takeovers and Mergers of the United Kingdom
<b>“UKLA”</b>	the UK Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof
<b>“USD” or “US\$”</b>	United States dollars, the lawful currency in the United States
<b>“US Exchange Act”</b>	the US Securities Exchange Act of 1934
<b>“US Securities Act”</b>	the US Securities Act of 1933
<b>“Wider Plethora Group”</b>	Plethora and associated undertakings and any other body corporate, partnership, joint venture or person in which Plethora and such undertaking (aggregating their interests) have a Significant Interest
<b>“Wider Regent Pacific Group”</b>	the Company and associated undertakings and any other body corporate, partnership, joint venture or person in which the Company and such undertaking (aggregating their interests) have a Significant Interest

Note: Unless otherwise specified herein, (i) amounts denominated in GBP have been translated, for the purpose of illustration only, into USD using the exchange rate of £1.00 = US\$1.513; (ii) amounts denominated in EUR have been translated, for the purpose of illustration only, into USD using the exchange rate of €1.00 = US\$1.1015; (iii) amounts denominated in AUD have been translated, for the purpose of illustration only, into USD using the exchange rate of A\$1.00 = US\$0.7255; and (iv) amounts denominated in USD have been translated, for the purpose of illustration only, into HKD using the exchange rate of US\$1.00 = HK\$7.7509.

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, 15 December 2015

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## **Important Notices**

*The Transaction will be subject to the conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which will be set out in the Circular and Scheme Document. Appendix II to this announcement contains the sources of information and bases of calculations of certain information contained in this announcement. Appendix III to this announcement contains details of the irrevocable undertaking and letters of intent received in relation to the Transaction.*

*Peel Hunt LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Regent Pacific and no one else in connection with the Transaction and will not be responsible to anyone other than Regent Pacific for providing the protections afforded to clients of Peel Hunt LLP or for providing advice in connection with the Transaction, the content of this announcement or any matter or arrangement referred to herein. Neither Peel Hunt LLP nor any of its subsidiaries, branches or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt LLP in connection with this announcement, any statement contained herein or otherwise.*

*Altus Capital Limited, which is licensed by the Securities and Futures Commission in Hong Kong, is acting exclusively as an independent financial adviser for the Company and no one else in connection with the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Altus Capital Limited or for providing advice in connection with the Transaction, the content of this announcement or any matter or arrangement referred to herein. Neither Altus Capital Limited nor any of its subsidiaries or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Altus Capital Limited in connection with this announcement, any statement contained herein or otherwise.*

*Herax Partners LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Herax Partners LLP is acting exclusively as financial adviser to Plethora and no one else in connection with the Transaction and shall not be responsible to anyone other than Plethora for providing the protections afforded to clients of Herax Partners LLP nor for providing advice in connection with the Transaction or any matter referred to herein.*

### **Further information**

*This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Transaction or otherwise nor will there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.*

*The Transaction will be made solely by means of the Scheme Document which, together with the Forms of Proxy, will contain the full terms and conditions of the Transaction including details of how to vote in respect of the Scheme.*

*This announcement has been prepared for the purpose of complying with the Exchange Rules, English law and the UK Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of jurisdictions outside of Hong Kong and the United Kingdom.*

*The Transaction will be subject to the applicable requirements of the UK Takeover Code, the Panel, AIM, the London Stock Exchange, the Financial Conduct Authority, the UKLA and the Exchange.*

*Plethora will prepare the Scheme Document to be distributed to Plethora Shareholders. Plethora urges Plethora Shareholders to read the Scheme Document when it becomes available because it will contain important information in relation to the Transaction, the Consideration Shares and the Enlarged Group. Any vote in respect of the Scheme or other response in relation to the Transaction should be made only on the basis of the information contained in the Scheme Document.*

*The Consideration Shares are not being offered to the public by means of this announcement. This announcement does not constitute a prospectus or prospectus equivalent document.*

*Regent Pacific reserves the right to elect to implement the acquisition of the entire issued and to be issued ordinary share capital of Plethora by way of an Offer. In such event, the Offer will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation, and if agreed with the Panel) the inclusion of an acceptance condition set at 90 per cent. of the shares to which such Offer relates or such lesser percentage, being more than 50 per cent., as Regent Pacific may decide).*



### Overseas Plethora Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in Hong Kong or in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws of any such jurisdiction.

The Transaction relates to shares of both an Exchange listed company and those of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules. However, if Regent Pacific were to elect to implement the Transaction by means of an Offer, such Offer will be made in compliance with all applicable laws and regulations, including the relevant provisions of Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Offer would be made in the United States by Regent Pacific and no one else. In addition to any such Offer, Regent Pacific, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Plethora outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UKLA and will be available on the London Stock Exchange website: [www.londonstockexchange.com](http://www.londonstockexchange.com).

This announcement is not an offer of securities for sale in the United States and the Consideration Shares, which will be issued in connection with the Transaction, have not been, and will not be, registered under the US Securities Act or under the securities law of any state, district or other jurisdiction of the United States or any Restricted Jurisdiction and no regulatory clearance in respect of the Consideration Shares has been, or will be, applied for in any jurisdiction other than the United Kingdom. Accordingly, the Consideration Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The Consideration Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Plethora Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of Regent Pacific or Plethora prior to, or of Regent Pacific after, the Effective Date will be subject to certain US transfer restrictions relating to the Consideration Shares received pursuant to the Scheme.

None of the securities referred to in this announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is a criminal offence in the United States.

Regent Pacific is organised under the laws of the Cayman Islands. Plethora is organised under the laws of England and Wales. All of the officers and directors of Regent Pacific and Plethora are residents of countries other than the United States. The significant majority of the assets of Regent Pacific and Plethora are located outside of the United States. As a result, it may not be possible to effect service of process within the United States upon Regent Pacific, Plethora, or any of their respective officers or directors, or to enforce outside the United States judgements obtained against Regent Pacific, Plethora, or any of their respective officers or directors in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. It may not be possible to sue Regent Pacific or Plethora or their respective officers or directors in a non-US court for violations of US securities laws. It may be difficult to compel Regent Pacific, Plethora and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

Warning: Hong Kong holders of Plethora Shares are advised to exercise caution in relation to the Transaction and the contents of this announcement. If a Hong Kong holder of Plethora Shares is in any doubt about any of the contents of this announcement, they should obtain independent professional advice. Please note that (i) neither this announcement nor any other document constitutes an offer or sale in Hong Kong of the Shares, (ii) no Shares may be offered or sold in Hong Kong by means of this announcement or any other document other than to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance and any rules made thereunder (“**professional investors**”), or in other circumstances which do not result in this announcement being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32) (“**CWUMPO**”) or which do not constitute an offer or invitation to



the public for the purposes of the CWUMPO or the Securities and Futures Ordinance, and (iii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to those Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors.

Unless otherwise determined by Regent Pacific or required by the UK Takeover Code, and permitted by applicable law and regulation, the Transaction will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Transaction will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Transaction (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Transaction to Plethora Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

The Consideration Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions.

#### **Forward Looking Statements**

This announcement, including any information included or incorporated by reference in this announcement, contains statements about Regent Pacific and Plethora that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Regent Pacific’s or Plethora’s operations and potential synergies resulting from the Transaction; and (iii) the effects of government regulation on Regent Pacific’s or Plethora’s business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Much of the risk and uncertainty relates to factors that are beyond the companies’ abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement. Neither Regent Pacific nor Plethora, nor any of their respective associates or directors, officers, employees, managers, agents, representatives, partners, members, consultants or advisers: (i) provide any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur; nor (ii) assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law. Regent Pacific disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

#### **No profit forecasts or estimates**

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Regent Pacific or Plethora, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Regent Pacific or Plethora, as appropriate.

#### **Disclosure requirements of the UK Takeover Code**

Under Rule 8.3(a) of the UK Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange



offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the UK Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain information provided by Plethora Shareholders and other relevant persons for the receipt of communications from Plethora may be provided to Regent Pacific during the Offer Period as requested under Section 4 of Appendix 4 of the UK Takeover Code to comply with Rule 2.12(c) of the UK Takeover Code.

### **Publication on Websites and Availability of Hard Copies**

A copy of this announcement will be disseminated by Regent Pacific in compliance with the Exchange Rules and, in any event, made available at [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk) and [www.regentpac.com](http://www.regentpac.com). The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

### **Rounding**

Certain figures included in the announcement have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.





## APPENDIX I CONDITIONS AND FURTHER TERMS OF THE TRANSACTION

### Part A: Conditions of the Transaction

- 1 The Transaction is conditional upon the Scheme becoming unconditional and Effective, subject to the UK Takeover Code, by not later than 30 September 2016 or such later date (if any) as the Company and Plethora may agree (if required) and the UK Takeover Panel and the UK Court may allow. In addition, it will be subject to the terms and conditions set out in the Scheme Document and Circular.
- 2 The Scheme will be subject to the following conditions:
  - 2.1
    - (i) its approval by a majority in number of the Plethora Shareholders who are present and vote, whether in person or by proxy, at the UK Court Meeting and who represent not less than 75 per cent. in value of the Plethora Shares voted by those Plethora Shareholders; and
    - (ii) such UK Court Meeting being held on or before the 22nd day after the expected date of the UK Court Meeting to be set out in the Scheme Document and Circular in due course (or such later date as may be agreed by the Company and Plethora and the UK Court may allow);
  - 2.2
    - (i) the resolution(s) required to approve and implement the Scheme being duly passed by Plethora Shareholders representing 75 per cent. or more of votes cast in person or by proxy at the Plethora General Meeting; and
    - (ii) such Plethora General Meeting being held on or before the 22nd day after the expected date of the Plethora General Meeting as to be set out in the Scheme Document and Circular in due course (or such later date as may be agreed by the Company and Plethora and the UK Court may allow);
  - 2.3
    - (i) the sanction of the Scheme by the UK Court (with or without modification but subject to any modification being on terms acceptable to Plethora and the Company) and the delivery of a copy of the UK Court Order to the Registrar of Companies; and
    - (ii) the Court hearing to sanction the Scheme being held on or before the 22nd day after the expected date of the UK Court approval hearing as set out in the Scheme Document and Circular in due course (or such later date as may be agreed by the Company and Plethora and the UK Court may allow).
- 3 In addition, subject as stated in Part B below and to the requirements of the UK Takeover Panel, the Transaction will be conditional upon the following conditions and, accordingly, the UK Court Order will not be delivered to the Registrar of Companies unless such conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### Company Shareholder approval

- (a) the passing at the EGM of such resolution or resolution(s) as are necessary to approve, implement and effect the Transaction including a resolution to approve the Transaction and to authorise the creation and allotment of the Consideration Shares;





### **Admission of the new Shares in the Company**

- (b) the Listing Committee of the Exchange granting the listing of, and permission to deal in, the Consideration Shares;

### **Notifications, waiting periods and Authorisations**

- (c) other than in relation to the matters referred to in conditions 3(a) and (b), all notifications, filings or applications which are necessary or considered appropriate or desirable by the Company (acting reasonably) having been made in connection with the Transaction and all necessary waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Transaction and all Authorisations deemed reasonably necessary or appropriate by the Company in any jurisdiction for or in respect of the Transaction and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Plethora or any other member of the Wider Plethora Group by any member of the Wider Regent Pacific Group having been obtained in terms and in a form reasonably satisfactory to the Company from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Plethora Group or the Wider Regent Pacific Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Plethora Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Transaction becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **General antitrust and regulatory**

- (d) other than in relation to the matters referred to in Conditions 3(b) and 3(c), no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Regent Pacific Group or by any member of the Wider Plethora Group of all or any part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Regent Pacific Group or the Wider Plethora Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Plethora Group or any asset owned by any Third Party (other than in the implementation of the Transaction);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Regent Pacific Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Plethora (or any member of the Wider Plethora Group) or on the ability of any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group directly or indirectly to



hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Plethora Group;

- (iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group;
- (v) result in any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Plethora Group taken as a whole or the Wider Regent Pacific Group taken as a whole in the context of the Transaction (as the case may be);
- (vi) make the Transaction, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Plethora by any member of the Wider Regent Pacific Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of, or impose additional material conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Transaction or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Plethora by any member of the Wider Regent Pacific Group;
- (vii) require, prevent or materially delay a divestiture by any member of the Wider Regent Pacific Group of any shares or other securities (or the equivalent) in any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group;
- (viii) impose any limitation on the ability of any member of the Wider Regent Pacific Group or any member of the Wider Plethora Group to conduct, integrate or co ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Regent Pacific Group and/or the Wider Plethora Group in a manner which is materially adverse to the Wider Regent Pacific Group and/or the Wider Plethora Group, in either case, taken as a whole or in the context of the Transaction; or
- (ix) impose any limitation on the ability of any member of the Wider Regent Pacific Group of any member of the Wider Plethora Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Regent Pacific Group and/or the Wider Plethora Group in each case in a manner which is adverse to and material in the context of the Wider Regent Pacific Group taken as a whole or of the obligations of any members of the Wider Plethora Group taken as a whole or in the context of the Transaction,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Transaction or the acquisition or proposed acquisition of any Plethora Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (e) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Plethora Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Transaction or the acquisition or the



proposed acquisition by any member of the Wider Regent Pacific Group of any shares or other securities (or the equivalent) in Plethora or because of a change in the control or management of any member of the Wider Plethora Group or otherwise, could or might reasonably be expected to result in:

- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Plethora Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Plethora Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Plethora Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Plethora Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Plethora Group otherwise than in the ordinary course of business;
- (v) any liability of any member of the Wider Plethora Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (vi) the rights, liabilities, obligations, interests or business of any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Plethora Group or any member of the Wider Regent Pacific Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- (vii) any member of the Wider Plethora Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (viii) the business, assets, value, financial or trading position, profits, operational performance or prospects of, any member of the Wider Plethora Group being prejudiced or adversely affected; or
- (ix) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Plethora Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Plethora Group is a



party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in conditions (e)(i) to (ix);

**Certain events occurring since 31 December 2014**

- (f) except as Disclosed, no member of the Wider Plethora Group having since 31 December 2014:
  - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Plethora Shares out of treasury (except, where relevant, as between Plethora and wholly owned subsidiaries of Plethora or between the wholly owned subsidiaries of Plethora and except for the issue or transfer out of treasury of Plethora Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Plethora LTIP);
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Plethora to Plethora or any of its wholly owned subsidiaries;
  - (iii) other than pursuant to the Transaction (and except for transactions between Plethora and its wholly owned subsidiaries or between the wholly owned subsidiaries of Plethora and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Plethora Group taken as a whole;
  - (iv) except for transactions between Plethora and its wholly owned subsidiaries or between the wholly owned subsidiaries of Plethora, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
  - (v) except for transactions between Plethora and its wholly owned subsidiaries or between the wholly owned subsidiaries of Plethora, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Plethora Group as a whole or the Wider Regent Pacific Group as a whole or in the context of the Transaction;
  - (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Plethora Group which, taken together with any other such material transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider Plethora Group as a whole or the Wider Regent Pacific Group as a whole or in the context of the Transaction;



- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases, bonuses or variations of terms in the ordinary course of business, senior executive of any member of the Wider Plethora Group;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Plethora Group which are material in the context of the Wider Plethora Group taken as a whole;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, compromised or settled any claim which is material in the context of the Wider Plethora Group as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Plethora Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Plethora Group taken as a whole;
- (xii) made any alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
  - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Plethora Group for its directors, employees or their dependants;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to,to an extent which is in any such case material in the context of the Wider Plethora Group;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Plethora Group taken as a whole;
- (xv) taken or proposed any steps or corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar



officer of all or any part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (xvi) (except for transactions between Plethora and its wholly owned subsidiaries or between the wholly owned subsidiaries), made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme, merger of business or corporate entities or other transaction or arrangement (other than the Transaction) which is material in the context of the Wider Plethora Group as a whole or the Wider Regent Pacific Group as a whole or in the context of the Transaction (as the case may be);
- (xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition (h);
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider Plethora Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Plethora Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the UK Takeover Panel or the approval of Plethora Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the UK Takeover Code;

**No adverse change, litigation, regulatory enquiry or similar**

- (g) except as Disclosed, since 31 December 2014 there having been:
  - (i) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change or deterioration in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Plethora Group which is material in the context of the Wider Plethora Group;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Plethora Group or to which any member of the Wider Plethora Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Plethora Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Plethora Group taken as a whole;
  - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Plethora Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Plethora Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Plethora Group taken as a whole;





- (iv) no contingent or other liability having arisen or become apparent to the Company or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Plethora Group to an extent which is material in the context of the Wider Plethora Group taken as a whole; and
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Plethora Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Plethora Group taken as a whole or in the context of the Transaction (as the case may be); and

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (h) except as Disclosed, the Company not having discovered:
  - (i) that any financial, business or other information concerning the Wider Plethora Group publicly announced prior to the date of this announcement or disclosed at any time to any member of the Wider Regent Pacific Group by or on behalf of any member of the Wider Plethora Group prior to the date of this announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to a material extent;
  - (ii) that any member of the Wider Plethora Group subject to any liability, contingent or otherwise and which is material in the context of the Wider Plethora Group taken as a whole or in the context of the Transaction;
  - (iii) that, in relation to the use, treatment, storage, carriage, any release, emission, accumulation, discharge, disposal of any waste or substance or other fact or circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco systems or otherwise relating to environmental matters of the health and safety of humans, no past or present member of the Wider Plethora Group, to an extent which is material in the context of the Wider Plethora Group taken as a whole or the Wider Regent Pacific Group taken as a whole or in the context of the Transaction (A) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (B) having incurred any liability (whether actual or contingent) to any Third Party; and/or (C) being likely to incur any liability (whether actual or contingent, including contribution to costs or indemnification liabilities), or being required, to make good, remediate, repair, reinstate or clean up the environment (including any property, assets or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Plethora Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest); or
  - (iv) that circumstances exist (whether as a result of the Transaction or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Plethora Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Plethora Group (or on



its behalf) or by any person for which a member of the Wider Plethora Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Plethora Group taken as a whole;

**Anti-corruption**

- (v) any member of the Wider Plethora Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation;
- (vi) any member of the Wider Plethora Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended); or
- (vii) any past or present member of the Wider Plethora Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction; or

**No criminal property**

- (viii) any asset of any member of the Wider Plethora Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B: Certain further terms of the Transaction**

- 1 Subject to the requirements of the UK Takeover Panel in accordance with the UK Takeover Code, the Company reserves the right to waive:
  - (i) any of the conditions set out in the above condition 2 for the timing of the UK Court Meeting, Plethora General Meeting and the UK Court hearing to approve the Scheme. If any such deadline is not met, the Company will make an announcement by 8:00 a.m. (London time) on the Business Day following such deadline confirming whether it has invoked or waived the relevant condition or agreed with Plethora to extend the deadline in relation to the relevant condition; and
  - (ii) in whole or in part, all or any of the above conditions 3(a) to (h) (inclusive).
- 2 The Transaction will lapse if the Scheme does not become Effective by 11:59 p.m. (London time) on 30 September 2016 (or such later date as may be agreed between the Company and Plethora).
- 3 If the Company is required by the UK Takeover Panel to make an offer for Plethora Shares under the provisions of Rule 9 of the UK Takeover Code, the Company may make such alterations to any of the above conditions and terms of the Transaction as are necessary to comply with the provisions of that Rule.
- 4 The Company will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions 3(a) to (h) (inclusive) by a date earlier than the latest date for the fulfilment of that condition notwithstanding that the other conditions of the Transaction may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.



The Company reserves the right to elect to implement the acquisition of the entire issued and to be issued ordinary share capital of Plethora by way of a takeover offer (as such term is defined in section 974 of the Companies Act). In such event, the takeover offer will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation, and if agreed with the UK Takeover Panel) the inclusion of an acceptance condition set at 90 per cent. of the shares to which such takeover offer relates or such lesser percentage, being more than 50 per cent., as the Company may decide).

Further, if sufficient acceptances of such takeover offer are received and/or sufficient Plethora Shares are otherwise acquired, it is the intention of the Company to apply the provisions of the Companies Act to acquire compulsorily any outstanding Plethora Shares to which such takeover offer relates.

- 5 In the event that the Transaction is implemented by way of a takeover offer, the Plethora Shares acquired under the offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement.
- 6 If, after the date of this announcement but prior to the Effective Date, any dividend or other distribution is declared, paid or made or payable by Plethora (a "relevant distribution"), the Company reserves the right (without prejudice to any right of the Company), with the consent of the UK Takeover Panel, to invoke condition 3(g)(ii) above) to reduce the Exchange Ratio to reflect the aggregate amount of such dividend or distribution. Furthermore, the Company reserves the right to reduce the Exchange Ratio in such circumstances as are, and by such amount as is, permitted by the UK Takeover Panel.

If any such dividend or distribution occurs, any reference in this announcement to the Exchange Ratio will be deemed to be a reference to the Exchange Ratio as so reduced. If such reduction occurs, notwithstanding the terms on which the Plethora Shares are expressed to be acquired by the Company pursuant to the Transaction in Appendix I, the Plethora Shares will be acquired by or on behalf of the Company pursuant to the Transaction fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now and hereafter attaching to such shares including the right to receive in full all dividends and other distributions (if any) declared, paid or made on or after the date of this announcement.

To the extent that such a dividend, distribution or payment has been declared, paid, made or is payable is or will be: (i) transferred pursuant to the Transaction on a basis which entitles the Company to receive the dividend, distribution or payment and to retain it; or (ii) cancelled, the Exchange Ratio will not be subject to change in accordance with this paragraph.

Any exercise by the Company of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Transaction.

- 7 The availability of the Transaction to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 8 The Consideration Shares to be issued pursuant to the Transaction have not been and will not be registered under the US Securities Act of 1933. Accordingly, the Consideration Shares may not be offered, sold or delivered, directly or indirectly, in the United States, , except pursuant to exemptions from applicable requirements of any such jurisdiction.



- 9 The offer pursuant to the Transaction is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 10 The Transaction is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the conditions and further terms set out in this Appendix I and to be set out in the Scheme Document and Circular. The Transaction will be subject to the applicable requirements of the UK Takeover Code, the AIM Rules, the Exchange Rules, the UK Takeover Panel, the London Stock Exchange, the Exchange, the Securities and Futures Commission of Hong Kong, the Financial Conduct Authority and the UKLA.
- 11 The Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all aspects with the existing Shares of the Company.
- 12 Each of the conditions will be regarded as a separate condition and will not be limited by reference to any other condition.



## APPENDIX II SOURCES OF INFORMATION AND BASES OF CALCULATION

1. All references to Plethora Shares are to Plethora ordinary shares of 1 pence each and references to Shares are to the Company's ordinary shares of HK\$0.01 each.
2. The number of Consideration Shares issued under the Scheme to Plethora Shareholders (other than the Company) of 11,568,619,063 is calculated by multiplying the Exchange Ratio of 15.7076 by the number of Plethora Shares held by Plethora Shareholders (other than the Company) on 14 December 2015 (being the last Business Day prior to publication of this announcement).
3. The aggregate value of the consideration of £85,824,275 is calculated by multiplying the number of Consideration Shares to be issued under the terms of the Scheme of 11,568,619,063 by the price per Share of HK\$0.087 (being the closing price on the last Business Day prior to publication of this announcement) and converting this into Sterling at the exchange rate referred to in paragraph 10 below.
4. The percentage of the share capital of the Enlarged Group that will be owned by Plethora Shareholders (other than members of the Group) of 65.98 per cent. is calculated by dividing the number of Consideration Shares to be issued to Plethora Shareholders (other than the Company) under the terms of the Scheme (as defined in paragraph 2 above) by the issued share capital of the Enlarged Group (as defined in paragraph 6 below) and multiplying the resulting sum by 100 to produce a percentage.
5. The fully diluted issued ordinary share capital of Plethora is based on:
  - (i) 823,297,686 Plethora Shares in issue as at the close of business on 14 December 2015 (being the last Business Day prior to publication of this announcement);
  - (ii) 54,200,000 Plethora Shares subject to awards under the Plethora LTIP;
  - (iii) no Plethora Shares being issued in respect of the Plethora Option Scheme on the basis that as at 14 December 2015 (being the last Business Day prior to the date of this announcement) the exercise price of the options under the Plethora Option Scheme was greater than the indicative offer price;
  - (iv) 103,589,489 Plethora Shares being issued under the Plethora Convertible Instruments (other than the fundraising warrants); and
  - (v) no Plethora Shares being issued in respect of the fundraising warrants on the basis that as at 14 December 2015 (being the last Business Day prior to the date of this announcement) the exercise price of the fundraising warrants was greater than the indicative offer price.
6. The share capital of the Enlarged Group has been calculated on the basis of:
  - (i) 3,485,730,523 Shares in issue on 14 December 2015, being the last Business Day prior to the date of this announcement; and
  - (ii) 14,047,113,239 Consideration Shares to be issued (being the sum of the Consideration Shares to be issued under the Scheme, as referred to in paragraph 2 above, and the Consideration Shares to be issued upon vesting and conversion of the awards and convertibles as referred to in paragraph 5(ii) and (iv) above)).
7. Unless otherwise stated all prices and closing prices for the Shares and Plethora Shares are closing prices derived from the daily quotations on the Exchange and the AIM appendix to the London Stock Exchange's Daily Official List respectively.



8. Unless otherwise stated, the financial information relating to Plethora is extracted from the Plethora Interim Results, prepared in accordance with IFRS.
9. Unless otherwise stated, the financial information relating to the Company is extracted from the interim report of the Company for the six months to 30 June 2015, prepared in accordance with HKFRS.
10. Unless otherwise stated, the £/HK\$, £/US\$, A\$/US\$, A\$/£, A\$/HK\$ and US\$/HK\$ exchange rates used are the rates displayed on Bloomberg of 11.7271, 1.513 , 0.7255 , 0.4795 , 5.6233 and 7.7509 respectively as at 5:00 p.m. (London time) on 14 December 2015, being the last Business Day prior to the publication of this announcement.

Certain figures included in this announcement have been subject to rounding adjustments.





**APPENDIX III  
IRREVOCABLE UNDERTAKING AND LETTERS OF INTENT**

**Independent Plethora Director's Irrevocable Undertaking**

<b>Name of Plethora Director</b>	<b>Number of Plethora Shares in respect of which undertaking is given</b>	<b>Percentage of Plethora issued share capital</b>
Michael G Wyllie	1,759,127	0.21

Michael G Wyllie has irrevocably undertaken to the Company that he will exercise or abstain from exercising, or where applicable, procure the exercise of or the abstention from, all votes (whether on a show of hands or a poll or whether in person or by proxy) in relation to the 1,759,127 Plethora Shares held by him (together with any Plethora Shares issued after the date of the undertaking and attributable to or derived from such shares) at the Court Meeting and the Plethora General Meeting (in each case including any adjournment thereof) in favour of the Scheme.

This irrevocable undertaking ceases to be binding if the Scheme (or Offer, as applicable) does not become Effective or lapses in accordance with its terms.

**Other Plethora Shareholders**

***Letters of intent***

<b>Name of Plethora Shareholder giving letter of intent</b>	<b>Number of Plethora Shares in respect of which letter of intent is given</b>	<b>Percentage of Plethora issued share capital</b>
Forest Nominees Limited (being the nominee company of Canaccord Genuity Wealth (International) Ltd)	71,804,175	8.72
W B Nominees Limited (being the nominee company of Walker Crips Stockbrokers Limited)	13,848,458	1.68

The letters of intent from Forest Nominees Limited and W B Nominees Limited were provided on the basis of the terms (including the exchange ratio) set out in the Possible Offer Announcement.

W B Nominees Limited has given its letter of intent in respect of discretionary clients. W B Nominees Limited has confirmed that it is its current intention to cast, or procure the casting of, all votes (whether on a show of hands or a poll and whether in person or by proxy) in respect of the Plethora Shares it held at the time its letter of intent was provided and any other Plethora Shares of which it may hereafter become the registered owner, beneficial owner or in which it may become interested at any court meeting, general meeting or class meeting in connection with the Transaction to enable the Transaction to become Effective.



Forest Nominees Limited has provided its letter of intent in respect of shares it holds on behalf of controllers or beneficial owners (set out in the table below) (the “**Controllers**”) who have confirmed to Canaccord Genuity Wealth (International) Ltd that the letter of intent can be given. Forest Nominees Limited has confirmed that it is its and the Controllers’ current intention to cast, or procure the casting of, all votes (whether on a show of hands or a poll and whether in person or by proxy) in respect of 71,804,175 Plethora Shares it held at the time its letter of intent was provided at any court meeting, general meeting or class meeting in connection with the Transaction to enable the Transaction to become Effective.

<b>Name of Controller:</b>	<b>Number of Plethora Shares:</b>
Mr S Glover, his family and the connected Bay Holdings (Jersey) Limited and Stonewall Holdings Limited	3,640,000
Andre de Gruchy and the connected Delphinus Pension Fund Limited	30,000
Peter Watts and the connected Fernwood Court Limited	165,000
H H & Mrs E M Vernon	400,000
Miss S D Ballard	6,500
Mr A Simon & Mrs C A. Simon	50,000
Mr G Moustras	500,000
Mr G P Lovett	400,000
Mr I P Jones	800,000
Mr I R & Mrs L B Mackenzie	35,000
Mr J G Swaisland	40,000
Mr J Tracey	22,500
Mr M Hockey	15,000
Mr M J Newby	12,000,000
Mr M and Mrs C Gurney	146,000
Mr P & Mrs J L Lockwood	1,600
Mr P A & Mrs A Stone	200,000
Mr R I & Mrs A Steven	210,000
Mr W English	30,000
Mr W K S Lamond	22,000
Mrs C F Duncan	25,000
Mrs C Jackson	5,000
Mrs D P Lamond	62,500
Mrs L E Barr	180,000
Mrs L M and Mr S W Vidamour	15,000
Mrs L Vidamour	6,500



Mrs P J Carson & Mrs N K Davidson	20,000
Mrs P Stuart	50,000
Mrs S E Le Prevost	50,000
Ms S Carr	80,000
R & Mrs L J Wastenev	40,000
Mr R & Mrs P Dean and the connected Southdown Holdings Limited	48,806,575
Spencer Bourne and the connected Spencer Holdings Limited Ref: 70602	3,000,000
Mr Martin Henry	750,000