



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

13 June 2016

ANNOUNCEMENT



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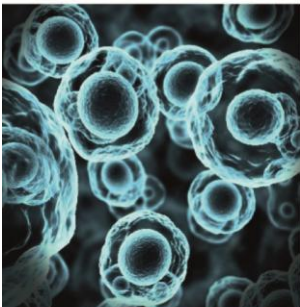
DISCLOSEABLE TRANSACTION: DISPOSAL OF SHARES IN BINARY LIMITED



SUMMARY

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

On 13 June 2016 (after market close in Hong Kong), the Company entered into the Sale and Purchase Agreement, pursuant to which the Company has agreed to sell, and Binary has agreed to purchase, 400,003 Binary Shares (being the entirety of the Company's interest in Binary) by way of a selective share buy-back for a consideration of US\$1.15 million (or approximately HK\$8.97 million) in cash.



Prior to entering into the Sale and Purchase Agreement, the Company held 400,003 Binary Shares, representing 1.87 per cent of the existing issued share capital of Binary, which were acquired on 8 June 2015 by way of a scrip dividend distributed by Binary Holdings Ltd. to shareholders of Binary Holdings Ltd. (now dissolved) following the disposal by the Company of an aggregate of 938,978 shares in Binary Holdings Ltd. (as detailed in the shareholders' circular issued by the Company on 16 March 2015 and completed on 8 April 2015). The cost standing against these 400,003 Binary Shares in the Company's financial statements is approximately US\$0.94 million (or approximately HK\$7.33 million).

As at Closing, the Company will hold no interest in Binary.

The Disposal will provide the Company with total proceeds (before expenses) of US\$1.15 million (or approximately HK\$8.97 million) and a net realised gain of approximately US\$0.21 million (or approximately HK\$1.64 million) for the year ended 31 December 2016.

Taken as a whole, the Disposal will provide the Group with an overall investment return of approximately US\$0.36 million (or approximately HK\$2.81 million) comprising sales proceeds of approximately US\$1.15 million (or approximately HK\$8.97 million) from 400,003 Sale Shares to be disposed of by the Company pursuant to the Disposal, the accumulated dividend received of US\$0.15 million (or approximately HK\$1.17 million), net of investment costs of approximately US\$0.94 million (or approximately HK\$7.33 million), representing a "cash-on-cash" return of 1.38 times the Group's original cash investment.

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

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

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

The Disposal

On 13 June 2016 (after market close in Hong Kong), the Company entered into the Sale and Purchase Agreement, pursuant to which the Company has agreed to sell, and Binary has agreed to purchase, 400,003 Binary Shares (being the entirety of the Company's interest in Binary) by way of a selective share buy-back for a consideration of US\$1.15 million (or approximately HK\$8.97 million) in cash. Further details of the Sale and Purchase Agreement are set out below.

(a) **Date**

13 June 2016

(b) **Parties**

The Company as seller and Binary as purchaser

(c) **Sale Shares to be disposed of by the Company**

400,003 Binary Shares to Binary (by way of a selective share buy-back by Binary), which are to be cancelled by Binary upon completion of the Disposal

(d) **Consideration**

US\$1.15 million (or approximately HK\$8.97 million) payable in cash at Closing

(e) **Conditions precedent**

Completion of the Disposal is conditional upon:

- (1) if, and to the extent, required under the HK Listing Rules or otherwise by the HK Stock Exchange, the Company having published a discloseable transaction announcement compliant with Chapter 14 of the HK Listing Rules in respect of: (i) the Disposal; and (ii) the entry into and performance of any other transactions or agreements contemplated in the Sale and Purchase Agreement;
- (2) the execution, adoption, perfection and/or approval, as the case may require, of the Transaction Documents to the reasonable satisfaction of each of the parties thereto;



- (3) each of the Company, on the one hand, and Binary, on the other, as applicable, having performed or complied with in all material respects (save for the payment or settlement of the amount of the consideration, which Binary must pay or settle in full at Closing) all other obligations, undertakings and covenants required to be performed or complied with by it on or prior to Closing; and
- (4) the warranties remaining true, accurate and not misleading in all material respects as given at the date of the Sale and Purchase Agreement and at Closing as if made on and as of the date of the Closing.

(f) **Closing**

The Closing shall take place on the first Business Day following (but not including) the day on which the last of the conditions set out in the Sale and Purchase Agreement has been satisfied or, where capable of being waived, waived or on such other date as may be agreed between the parties. Closing is expected to take place on or before 31 July 2016.

(g) **Termination**

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

- (i) by mutual written consent of the parties thereto;
- (ii) by either Binary or the Company, if Closing shall not have taken place on or before the Long Stop Date;
- (iii) if Binary has complied with its material obligations under the Sale and Purchase Agreement, by Binary, by giving written notice to the Company, if the Company shall have breached or failed to perform any of its representations, warranties, undertakings or obligations thereunder, which breach or failure to perform:
 - would give rise to the failure of a condition (as referred to in sub-paragraph (e) titled “Conditions precedent” above); and
 - is incapable of cure or has not been cured within ten (10) Business Days following the giving of written notice of such breach to the Company; or
- (iv) if the Company has complied with its material obligations under the Sale and Purchase Agreement, by the Company, by giving written notice to Binary, if Binary

shall have breached or failed to perform any of its representations, warranties, undertakings or obligations thereunder, which breach or failure to perform:

- would give rise to the failure of a condition (as referred to in sub-paragraph (e) titled “Conditions precedent” above); and
- is incapable of cure or has not been cured within ten (10) Business Days following the giving of written notice of such breach to Binary.

Prior to entering into the Sale and Purchase Agreement, the Company held 400,003 Binary Shares, representing 1.87 per cent of the existing issued share capital of Binary, which were acquired on 8 June 2015 by way of a scrip dividend distributed by Binary Holdings Ltd. to shareholders of Binary Holdings Ltd. (now dissolved) following the disposal by the Company of an aggregate of 938,978 shares in Binary Holdings Ltd. (as detailed in the shareholders’ circular issued by the Company on 16 March 2015 and completed on 8 April 2015). Binary Holdings Ltd. was formerly a limited liability company incorporated in the British Virgin Islands and continued in the Cayman Islands, which held a 93.35 per cent interest in Binary before its dissolution on 30 September 2015.

The cost standing against these 400,003 Binary Shares in the Company’s financial statements is US\$0.94 million (or approximately HK\$7.33 million). The remaining 98.13 per cent (represented by 21,025,743 Binary Shares) of the existing issued share capital of Binary is held by various individuals and companies, including: (i) a 3.96 per cent interest by James Mellon (Non-Executive Co-Chairman of the Company currently holding, by himself and his associates, 22.30 per cent of the total issued share capital of the Company); and (ii) a 1.27 per cent interest by Anderson Whamond (formerly a Non-Executive Director of the Company during the period from January 1999 to February 2008 and currently a director of Interman Limited, a wholly owned subsidiary of the Company, holding, by himself and his associates, 0.08 per cent of the total issued share capital of the Company).

As at Closing, the Company will hold no interest in Binary.

The Disposal will provide the Company with total proceeds (before expenses) of US\$1.15 million (or approximately HK\$8.97 million) and a net realised gain of approximately US\$0.21 million (or approximately HK\$1.64 million) for the year ended 31 December 2016.

Taken as a whole, the Disposal will provide the Group with an overall investment return of approximately US\$0.36 million (or approximately HK\$2.81 million) comprising sales proceeds of approximately US\$1.15 million (or approximately HK\$8.97 million) from 400,003 Sale Shares to be disposed of by the Company pursuant to the Disposal, the accumulated dividend received of

US\$0.15 million (or approximately HK\$1.17 million), net of investment costs of approximately US\$0.94 million (or approximately HK\$7.33 million), representing a “cash-on-cash” return of 1.38 times the Group’s original cash investment.

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

Basis of consideration

The consideration for the Disposal was determined on the basis of normal commercial terms and arm’s length negotiations.

The consideration for the Disposal was determined by the Company, in arm’s length negotiations with Jean-Yves Sireau (the founder and controller of Binary), using an implied valuation of Binary of US\$61.60 million or an implied value per Binary Share of US\$2.874978, which is arrived at based on a price-to-earnings ratio of 5.89 x Binary’s 2015 earnings, which amounted to US\$10.45 million for the year ended 31 December 2015, a valuation considered by the Company to be highly attractive given: (a) the original cost of its investment; (b) the size of Binary’s business; (c) returns to date; and (d) the illiquidity and minority nature of its shareholding.

The Company believes that using a price-to-earnings valuation methodology is normal and standard valuation methodology and, more importantly, entirely appropriate when valuing an online business such as Binary. The Company did consider using a discounted cash-flow model, but such a model necessitates a long term projection of Binary’s cash-flow, which, in turn, will depend upon a host of assumptions. Given the continuously changing nature and regulatory environment of the binary options industry in general, adopting a discounted cash-flow model approach was considered too unreliable and one that may prove arbitrary. The Company therefore believes that a price-to-earnings valuation model is normal valuation practice and provided an arm’s length valuation on normal commercial terms.

The Directors consider the Disposal to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the Company’s interest in Binary (being 1.87 per cent disposed of):

- the Company’s attributable share of Binary’s: (i) net profit for the financial year ended 31 December 2015 from continued operations is US\$198,473 (or approximately HK\$1,548,089); and (ii) net profit for the financial year ended 31 December 2014 from

continued operations is US\$152,211 (or approximately HK\$1,187,246), before taxation; and

- the Company's attributable share of Binary's: (i) net profit for the financial year ended 31 December 2015 from continued operations is US\$195,499 (or approximately HK\$1,524,892); and (ii) net profit for the financial year ended 31 December 2014 from continued operations is US\$144,454 (or approximately HK\$1,126,741), after taxation.

The net asset value of Binary was US\$8.78 million (or approximately HK\$68.48 million) as at 31 December 2015, as reported in Binary's latest unaudited financial statements ended 31 December 2015.

Use of proceeds

It is the intention of the Company, consistent with its stated business strategy, to use the proceeds of the Disposal, together with the existing cash and liquid cash reserves of the Group, to continue to pursue the commercialization of PSD502[®], a prescription treatment for premature ejaculation and opportunistic, strategic and value-led investments in the healthcare and life sciences sectors, in order to enhance Shareholders' value.

As a Hong Kong listed company, the Company aims to serve as a platform for growth and a cultivator of high quality, accretive assets across Asia-Pacific and elsewhere.

Reasons for and financial effects of the Disposal on the Group

The Company has held an investment in Binary Holdings Ltd. since 1999, having disposed of the majority of its position in April 2015 (as detailed in the shareholders' circular issued by the Company on 16 March 2015). Throughout, the Company has enjoyed strong returns from its investment. Binary options, the focus of Binary, is not and has never been a core investment focus of the Group and, consistent with the reasons for its prior disposal of the majority of its position, the Group has been desirous of monetizing its remaining investment at highly attractive returns. Accordingly, the Directors considered this opportunity to be something not to be ignored and was prudent in light of the other investment focus and strategies of the Group.

The Disposal is consistent with the Group's stated divestment programme of non-core assets and investments.

The carrying value of the Company's remaining investment in Binary in the Company's balance sheet as at 31 December 2015 was US\$1.77 million (or approximately HK\$13.81 million). The Disposal will provide the Company with total proceeds (before expenses) of US\$1.15 million (or approximately HK\$8.97 million).

The Disposal will generate a net realised gain of approximately US\$0.21 million (or approximately HK\$1.64 million) for the year ended 31 December 2016 comprising sales proceeds (before expenses) of approximately US\$1.15 million (or approximately HK\$8.97 million) from 400,003 Sale Shares to be disposed of by the Company pursuant to the Disposal, the transfer back of the unrealised gain of US\$0.83 million (or approximately HK\$6.47 million) recognised and recorded in investment revaluation reserve in prior year, net of the carrying value of US\$1.77 million (or approximately HK\$13.81 million) as at 31 December 2015. Taken as a whole, the Disposal will provide the Group with an overall investment return of approximately US\$0.36 million (or approximately HK\$2.81 million) comprising sales proceeds (before expenses) of approximately US\$1.15 million (or approximately HK\$8.97 million) of 400,003 Sale Shares disposed of by the Company pursuant to the Disposal, the accumulated dividend received of US\$0.15 million (or approximately HK\$1.17 million) in respect of the Sale Shares, net of investment costs of approximately US\$0.94 million (or approximately HK\$7.33 million), representing a “cash-on-cash” return of 1.38 times the Group’s original cash investment.

Consequently, the contemplated Disposal together with first disposal of the Company’s shareholding in Binary last year and the cash dividends represents a highly attractive return to the Company, a tremendous result achieved over its investment life.

The Directors (including the Independent Non-Executive Directors) are of the view that the Disposal represents an excellent opportunity to increase Company’s cash position thereby allowing the Company to take advantage of any investment opportunities should they arise. The Directors (including the independent non-executive Directors) are also of the view that the Disposal to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Discloseable transaction

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

Not a connected transaction

As noted:

- (1) James Mellon (Non-Executive Co-Chairman of the Company currently holding, by himself and his associates, 22.30 per cent of the total issued share capital of the Company) currently holds a 3.96 per cent interest in Binary; and

- (2) Anderson Whamond (formerly a Non-Executive Director of the Company during the period from January 1999 to February 2008 and currently a director of Interman Limited, a wholly owned subsidiary of the Company, holding, by himself and his associates, 0.08 per cent of the total issued share capital of the Company) currently holds a 1.27 per cent interest in Binary.

Save for the above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each counterparty to the Disposal and their respective beneficial owner(s) and associate(s) is a third party independent of the Company and is not a connected person of the Group.

The purpose of this announcement is to provide the Shareholders with information on the details of the Disposal in accordance with the HK Listing Rules.

Principal business activities of Binary

Binary offers binary options via its flagship website www.binary.com.

Fully licensed and regulated, the Binary.com service (formerly known as BetOnMarkets.com) has been providing financial trading to a worldwide audience of over 500,000 registered clients since 1999.

More information on Binary is available on Binary's website: www.binary.com.

Principal business activities of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. 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 2016, the Company acquired Plethora Solutions Holdings plc, a UK-based speciality pharmaceutical company whose principal product is PSD502[®], a prescription treatment for male premature ejaculation.

General

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

Definitions

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

“associate(s)”	shall have the meaning defined in the HK Listing Rules
“Binary”	Binary Limited, a limited liability company incorporated in Bahamas and continued in Jersey, in which the Company holds 1.87 per cent interest
“Binary Share(s)”	the fully paid ordinary shares of US\$0.001 each in the capital of Binary
“Board”	the board of directors of the Company
“Business Day”	a day which is not a Saturday, Sunday or a public holiday in Hong Kong or Beijing
“Buy-Back Documents”	any and all documents required under applicable law, to be prepared by Binary’s legal and financial advisers at its sole expense, to effect the selective buy-back by Binary from the Company of the Sale Shares, as set out in the Sale and Purchase Agreement
“Closing”	the closing of the Disposal
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“connected person(s)”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal by the Company of 400,003 Binary Shares, by

way of a selective share buy-back by Binary, for a cash consideration of US\$1.15 million (or approximately HK\$8.97 million)

“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Long Stop Date”	six (6) months from the date of the Sale and Purchase Agreement or, in any event, such other date as may be agreed among the parties thereto
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 June 2016 (after market close in Hong Kong) entered into by the Company with Binary in respect of the Disposal
“Sale Shares”	400,003 Binary Shares
“Shareholder(s)”	the holders of the Shares
“Share(s)”	the ordinary shares, with voting rights, of US\$0.10 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
“Transaction Documents”	the Sale and Purchase Agreement, together with: (i) the Buy-Back Documents; and (ii) any and all board and shareholders’ resolutions and circulars, in respect of each party, as may be required to effect the transactions contemplated in the Sale and Purchase Agreement
“US\$”	United States dollars, the lawful currency in the United States

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

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

James Mellon (*Co-Chairman*)^{*}

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, 13 June 2016