



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

Stock Code: 0575

23 August 2019

## ANNOUNCEMENT



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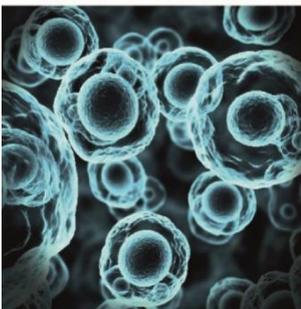
### UPDATE ON CONNECTED TRANSACTION: PROPOSED ISSUE OF CONVERTIBLE NOTES



#### SUMMARY

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

The Directors refer to the announcement issued on 29 May 2019 and the shareholders' circular dated 11 July 2019 in respect of the two conditional Subscription Agreements with the Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to issue, the Convertible Notes in the principal amount of US\$17.50 million (or approximately HK\$136.50 million).



On 20 August 2019, the Company received notification on behalf of Certain Subscribers that, in light of the discontinuance of the possible acquisition of Entertainment Direct Asia Ltd., as announced by the Company on 18 July 2019, they no longer wished to participate in the Convertible Note issuance. The Company has agreed to allow the Certain Subscribers, together with David Church, to withdraw from the Convertible Note issuance and Jamie Gibson will still continue to subscribe for Convertible Notes in respect of his Previously Advanced Funds. The Company will continue to close the financing with the remaining Subscribers in respect of US\$6.45 million (or approximately HK\$50.31 million), which will be issued in one tranche on the same terms and conditions as previously disclosed. As the two Subscription Agreements are interconditional upon one another, the Subscribers under the Subscription Agreements have, in accordance with their rights under such agreement, agreed to waive interconditionality with the other Subscription Agreement to facilitate Closing of the reduced financing.

In light of the agreed non-participation of the Certain Subscribers, a maximum of 265,163,294 Conversion Shares, which assumes that the Convertible Notes are converted on the Maturity Date and that any and all interest that will accrue is capitalised, may be issued, representing approximately 14.43% of the existing issued share capital of the Company and approximately 12.61% of the issued share capital of the Company as to be enlarged by the allotment and issue of such Conversion Shares. Please refer to the updated change in shareholding structure table (and notes) set out in this announcement. The aggregate nominal value of such Conversion Shares will be US\$2,651,633 (or approximately HK\$20,682,737). The gross proceeds of the reduced Subscription, including the Previously Advanced Funds, will be US\$6.45 million (or approximately HK\$50.31 million), and the net proceeds of the reduced Subscription, including the Previously Advanced Funds, will be approximately US\$6.35 million (or approximately of HK\$49.53 million). The net proceeds of the New Funds (in total, US\$0.95 million (or approximately HK\$7.41 million)) under the Subscription of approximately US\$0.85 million (or approximately HK\$6.63 million), together with existing resources available to the Company, will be applied in the manner set out herein.

**Until Closing of the Subscription Agreements takes place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning given to them in the Company's shareholder circular dated 11 July 2019.

## **UPDATE ON CONNECTED TRANSACTION AND THE PROPOSED ISSUE OF CONVERTIBLE NOTES**

The Directors refer to the announcement issued on 29 May 2019 and the shareholders' circular dated 11 July 2019 in respect of the two conditional Subscription Agreements with the Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to issue, the Convertible Notes in the principal amount of US\$17.50 million (or approximately HK\$136.50 million).

On 20 August 2019, the Company received notification on behalf of Abony Enterprises, LLC, Caravel DS Fund Ltd., 2464344 Ontario Inc., Edsel Holdings, LLC, Antonio Costanzo, LOSC Holdings, LLC and Nismo Ventures, LLC, each a Subscriber under the Third Party Subscription Agreement (together the "**Certain Subscribers**"), that, in light of the discontinuance of the possible acquisition of Entertainment Direct Asia Ltd., as announced by the Company on 18 July 2019, they no longer wished to participate in the Convertible Note issuance. The Company has agreed to allow the Certain Subscribers, together with David Church, to withdraw from the Convertible Note issuance and Jamie Gibson will still continue to subscribe for Convertible Notes in respect of his Previously Advanced Funds. The Company will continue to close the financing with the remaining Subscribers, under both the Connected Subscription Agreement as well as the Third Party Subscription Agreement, in respect of US\$6.45 million (or approximately HK\$50.31 million), which will be issued in one tranche on the same terms and conditions as previously disclosed. As the two Subscription Agreements are interconditional upon one another, the Subscribers under the Subscription Agreements have, in accordance with their rights under such agreement, agreed to waive interconditionality with the other Subscription Agreement to facilitate Closing of the reduced financing.

In light of the agreed non-participation of the Certain Subscribers, a maximum of 265,163,294 Conversion Shares, which assumes that the Convertible Notes are converted on the Maturity Date and that any and all interest that will accrue is capitalised, may be issued, representing approximately 14.43% of the existing issued share capital of the Company and approximately 12.61% of the issued share capital of the Company as to be enlarged by the allotment and issue of such Conversion Shares. The changes of the shareholding structure of the Company as at the

date of this announcement and upon a maximum of 265,163,294 Conversion Shares being issued on conversion (assuming no Shares are issued or repurchased prior to the conversion of the Convertible Notes) are as follows:

Shareholder	At the date of this announcement		Immediately after 265,163,294 Conversion Shares are issued	
	Number of Shares	Approximate %	Number of Shares	Approximate %
James Mellon (Notes 1 & 2)	387,816,211	21.11%	578,980,447	27.54%
Jayne Sutcliffe (Note 2)	1,716,046	0.09%	1,716,046	0.08%
Anderson Whamond (Note 2)	1,400,000	0.08%	9,622,117	0.46%
Jamie Gibson	69,208,513	3.77%	104,152,513	4.95%
Other Directors	4,170,292	0.23%	4,170,292	0.20%
Other Independent Third Parties	0	0.00%	30,832,941	1.47%
Public Shareholders	1,372,940,120	74.72%	1,372,940,120	65.30%
	<b>1,837,251,182</b>	<b>100.00%</b>	<b>2,102,414,476</b>	<b>100.00%</b>

Notes:

- At the date of this announcement, 25,791,905 Shares are held by a company indirectly wholly owned by James Mellon, and an aggregate of 430,000 Shares are held by the parents of James Mellon.

Upon a maximum of 265,163,294 Conversion Shares being issued: (i) 25,791,905 Shares are held by a company indirectly wholly owned by James Mellon, and an aggregate of 430,000 Shares are held by the parents of James Mellon; and (ii) 552,758,542 Shares are held by James Mellon and Galloway, which include the Conversion Shares to be issued upon conversion of the Convertible Notes pursuant to the Connected Subscription Agreement.

- James Mellon and Jayne Sutcliffe (both Directors), together with Anderson Whamond, constitute the Declared Concert Party Group. MAC Financial Pension Trustees Ltd, the trustee of a pension, of which Anderson Whamond is the sole beneficiary, is also subscribing US\$200,000 (or approximately HK\$1,560,000) for Convertible Notes under the Third Party Subscription Agreement and his putative interests are also included here assuming 8,222,117 Conversion Shares are issued.

The aggregate nominal value of such Conversion Shares will be US\$2,651,633 (or approximately HK\$20,682,737). The gross proceeds of the reduced Subscription, including the Previously Advanced Funds, will be US\$6.45 million (or approximately HK\$50.31 million), and the net proceeds of the reduced Subscription, including the Previously Advanced Funds, will be of approximately US\$6.35 million (or approximately of HK\$49.53 million). The net proceeds of the New Funds (in total, US\$0.95 million (or approximately HK\$7.41 million)) under the Subscription of approximately US\$0.85 million (or approximately HK\$6.63 million), together with existing resources available to the Company, will be applied towards meeting its general corporate

purposes and for providing working capital to the Group in the manner set out in the Company's Shareholders Circular dated 11 July 2019. The Directors consider that such application of funds will be in the interests of the Company and its Shareholders as a whole.

**Until Closing of the Subscription Agreements takes place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

Note: Unless otherwise specified herein: (i) amounts denominated in A\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of A\$1.00 = US\$0.7085; and (ii) amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.800.

On Behalf of the Board of  
**Regent Pacific Group Limited**

Jamie Gibson  
*Director*

**Directors of the Company:**

James Mellon (*Chairman*)\*  
Jamie Gibson (*Chief Executive Officer*)  
David Comba#  
Julie Oates#  
Mark Searle#  
Jayne Sutcliffe\*

\* *Non-Executive Directors*

# *Independent Non-Executive Directors*

Hong Kong, 23 August 2019