



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

12 December 2019

ANNOUNCEMENT



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DISCLOSEABLE AND CONNECTED TRANSACTION: DISPOSAL OF SHARES IN VENTUREX RESOURCES LIMITED

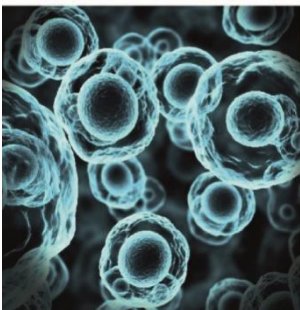


SUMMARY

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

The Company announces that the April VXR Disposal and the Recent VXR Disposals, in total representing 5.47 per cent of VXR's existing issued share capital, have generated an aggregate consideration of approximately A\$3.05 million (or approximately US\$2.11 million or HK\$16.46 million) in cash for the Group, the details of which are set out in the announcement.

Immediately following the Recent VXR Disposals, the Company still holds 23,849,445 VXR Shares, representing approximately 8.52 per cent of VXR's existing issued share capital, while James Mellon (himself and Galloway) and Jamie Gibson hold approximately 3.70 per cent and 0.44 per cent of VXR's existing issued share capital, respectively.



It is expected that the disposal of an aggregate of 15,296,186 VXR Shares in the previous 12 months (including the April VXR Disposal and the Recent VXR Disposals) have, together, generated a net realised profit (before expenses) of approximately of US\$0.22 million (or approximately HK\$1.72 million) for the year ending 31 December 2019, which is calculated by deducting the carrying value of US\$1.89 million (or approximately HK\$14.74 million) of the respective VXR Shares as at 31 December 2018 and 30 June 2019 from the total proceeds of the disposals (before expenses) of US\$2.11 million (or approximately HK\$16.46 million), which will be recognised in the Company's results for the year ending 31 December 2019. However, taken as a whole for the period from 2 April 2019 to 3 December 2019 (being the date on which the last of the Recent VXR Disposals was agreed), the disposal of an aggregate of 15,296,186 VXR Shares in the previous 12 months (including the April VXR Disposal and the Recent VXR Disposals) have, together, generated a net realised loss (before expenses) of US\$11.17 million (or approximately HK\$87.13 million), which is calculated by deducting the total proceeds of the disposals (before expenses) from the average historical acquisition costs of the respective VXR Shares for the period from 16 April 2010 to 21 December 2015.

The net proceeds from the disposal of an aggregate of 4,605,369 VXR Shares (inclusive of the April VXR Disposal) of approximately A\$1.02 million (or approximately US\$0.72 million or HK\$5.62 million) have been used for the Company's general working capital and corporate requirements, while the net proceeds of the disposal of 10,690,817 VXR Shares (inclusive of the Recent VXR Disposals) of approximately A\$2.03 million (or approximately US\$1.39 million or HK\$10.84 million), together with existing resources available to the Company (including new funds raised by the issuance of the convertible loan notes announced on 29 May 2019 and 23 August 2019), have been and will be applied towards financing the Company's general working capital requirements and, in particular, facilitating funding of the settlement of Australian taxation litigation in the amount of A\$9.50 million (or approximately US\$6.73 million or HK\$52.49 million). The Directors consider that such applications of funds are in the interests of the Company and its Shareholders as a whole.

Given that the total cash consideration received from Recent VXR Disposals in respect of the disposal of an aggregate of 10,690,817 VXR Shares of approximately US\$1.39 million (or approximately HK\$10.84 million), together with the total cash consideration received from the disposal of an aggregate of 4,605,369 VXR Shares pursuant to the April VXR Disposal of approximately US\$0.72 million (or approximately HK\$5.62 million), being approximately US\$2.11 million (or approximately HK\$16.46 million), exceed 5 per cent but are less than 25 per cent of the Company's total market capitalisation, the disposal of the aforementioned aggregate of 15,296,186 VXR Shares constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Given that James Mellon (the Non-Executive Chairman of the Board of the Company currently holding, by himself and his associates, 21.11 per cent of the total issued share capital of the Company) and Jamie Gibson (the Executive Director and the Chief Executive Officer of the Company) are connected persons of the Company, the April VXR Disposal and the disposal of 8,190,817 VXR Shares to Galloway, being part of the Recent VXR Disposals, constitutes connected transactions of the Company under Chapter 14A of the HK Listing Rules. The April VXR Disposal, at that time, was fully exempt from the written agreement, the announcement, the circular (including independent board committee's and independent financial adviser's advice), the Independent Shareholders' approval and the annual reporting requirements under the *de minimis* provision of Rule 14A.76(1) of the HK Listing Rules. However, the disposal of 8,190,817 VXR Shares to Galloway (being part of the Recent VXR Disposals), when aggregated with the April VXR Disposal, is exempt from only the circular (including independent board committee's and independent financial adviser's advice) and the Independent Shareholders' approval requirements under the *de minimis* provision of Rule 14A.76(2) of the HK Listing Rules. As such, the Company is required to make this announcement and include the views of the Independent Non-Executive Directors on the April VXR Disposal and the Recent VXR Disposals.

James Mellon and Jamie Gibson have both abstained from voting on the board resolutions approving the April VXR Disposal and James Mellon has abstained from voting on the board resolutions approving the Recent VXR Disposals.

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

Disposal of shares in VXR

1. Recent disposals between July and December 2019

The Company announces that between 30 July 2019 and 3 December 2019, it disposed or agreed to dispose of an aggregate of 10,690,817 VXR Shares via a broker to independent third parties in the market and, separately, to Galloway, for an aggregate consideration of approximately A\$2.03 million (or approximately US\$1.39 million or HK\$10.84 million) in cash, representing approximately 3.82 per cent of the existing issued share capital of VXR, which is referred to as the "**Recent VXR Disposals**". The prices paid in respect of the Recent VXR Disposals ranged from A\$0.10 to A\$0.20 per VXR Share.

An irrevocable instruction to sell was executed with the broker in respect of the Recent VXR Disposals.

Further particulars in respect of the disposals to Galloway are set out below.

2. Previous disposals within 12 months

Prior to the Recent VXR Disposals, the Company disposed of an aggregate of 4,605,369 VXR Shares, representing approximately 1.65 per cent of the existing issued share capital of VXR, being:

- (i) on 2 April 2019, an aggregate of 2,170,000 VXR Shares disposed of to independent third parties via a broker, and
- (ii) on 3 April 2019:
 - 1,217,684 VXR Shares disposed of to James Mellon via a broker; and
 - 1,217,685 VXR Shares disposed of to Jamie Gibson via a broker (which, collectively, is referred to as the “**April VXR Disposal**”),

in all cases, at the price of A\$0.22 (or approximately US\$0.15 or HK\$1.17) per VXR Share, for an aggregate consideration of approximately A\$1.02 million (or approximately US\$0.72 million or HK\$5.62 million) in cash.

Irrevocable instructions to sell were, in each case, executed with the broker in respect of all disposals forming part of the April VXR Disposal.

Save for those set out in Paragraph 1 above and this Paragraph 2, the Company did not dispose of any other VXR Shares, either to the market or to the connected persons within the recent 12 months.

Prior to the April VXR Disposal and the Recent VXR Disposals:

- (A) the Company held 39,145,631 VXR Shares, representing approximately 13.99 per cent of VXR’s then and existing total issued share capital, being:
 - (i) 34,540,262 VXR Shares, which were subject to a charge under a specific security deed (as granted on 18 April 2013 and amended by way of a deed of amendment dated 27 November 2013) granted to The Commonwealth of Australia, represented by the ATO, in relation to a dispute on the Australian capital gain tax relating to the disposal of shares in BC Iron Limited in January 2013, for which a settlement agreement was

entered into on 18 March 2019 by the Company with the ATO (which is referred as the “**Settlement Agreement**”, as announced by the Company on 18 March 2019); and

- (ii) 4,605,369 VXR Shares, which were not subject to any restrictions on dealings from the ATO,

which were acquired during the period from 16 April 2010 to 21 December 2015 by way of subscription in respect of VXR’s private placings, participation in VXR’s entitlements issues and on-market transactions, at the average price of approximately A\$0.89 (or approximately US\$0.87 or HK\$6.79, at the then applicable exchange rates) per VXR Share, for an aggregate amount of cash consideration of approximately A\$34.85 million (or approximately US\$33.99 million or HK\$265.12 million, at the then applicable exchange rates);

- (B) James Mellon, via Galloway, a company indirectly wholly owned by him, held 939,102 VXR Shares, representing approximately 0.34 per cent in VXR’s then and existing total issued share capital; and

- (C) Jamie Gibson did not hold any interests in the capital of VXR.

As noted from the announcement issued by the Company on 27 May 2019, a deed of instruction and release was entered into on 27 May 2019 by the Company with ATO, pursuant to which the Australian listed securities (including the aforesaid 34,540,262 VXR Shares), investments of the Company, previously charged in favour of the ATO were released from security to permit their sale and application of the funds realised towards the payment of said settlement amount under the Settlement Agreement.

Immediately following the Recent VXR Disposals:

- (a) The Company still holds 23,849,445 VXR Shares, representing 8.52 per cent of VXR’s existing issued share capital;
- (b) James Mellon and Galloway hold:
 - (i) by James Mellon, 1,217,684 VXR Shares, representing approximately 0.44 per cent of VXR’s existing issued share capital; and
 - (ii) by Galloway, 9,129,919 VXR Shares, representing approximately 3.26 per cent of VXR’s existing issued share capital; and

- (c) Jamie Gibson holds 1,217,685 VXR Shares, representing approximately 0.44 per cent of VXR's existing issued share capital.

It is expected that the disposal of an aggregate of 15,296,186 VXR Shares in the previous 12 months (including the April VXR Disposal and the Recent VXR Disposals) have, together, generated a net realised gain (before expenses) of approximately of US\$0.22 million (or approximately HK\$1.72 million) for the year ending 31 December 2019, which is calculated by deducting the carrying value of US\$1.89 million (or approximately HK\$14.74 million) of the respective VXR Shares as at 31 December 2018 and 30 June 2019 from the total proceeds of the disposals (before expenses) of US\$2.11 million (or approximately HK\$16.46 million), which will be recognised in the Company's results for the year ending 31 December 2019. However, taken as a whole for the period from 2 April 2019 to 3 December 2019 (being the date on which the last of the Recent VXR Disposals was agreed), the disposal of an aggregate of 15,296,186 VXR Shares in the previous 12 months (including the April VXR Disposal and the Recent VXR Disposals) have, together, generated a net realised loss (before expenses) of US\$11.17 million (or approximately HK\$87.13 million), which is calculated by deducting the total proceeds of the disposals (before expenses) from the average historical acquisition costs of the respective VXR Shares for the period from 16 April 2010 to 21 December 2015.

The disposal of an aggregate of 2,435,369 VXR Shares to James Mellon and Jamie Gibson, being the April VXR Disposal, and the subsequent disposal of 7,140,817 VXR Shares to Galloway, as part of the Recent VXR Disposals, constitute connected transactions of the Company under Chapter 14A of the HK Listing Rules. The April VXR Disposal, at that time, was fully exempt from the written agreement, the announcement, the circular (including independent board committee's and independent financial adviser's advice), the Independent Shareholders' approval and the annual reporting requirements under the *de minimis* provision of Rule 14A.76(1) of the HK Listing Rules. However, the disposal of 8,190,817 VXR Shares to Galloway as part of the Recent VXR Disposals, when aggregated with the April VXR Disposal, is exempt from only the circular (including independent board committee's and independent financial adviser's advice) and the Independent Shareholders' approval requirements under the *de minimis* provision of Rule 14A.76(2) of the HK Listing Rules.

Basis of determination of consideration

The consideration for the April VXR Disposal and the Recent VXR Disposals were determined on the basis of normal commercial terms and arm's length negotiations.

In assessing the fairness and reasonableness of the consideration for the April VXR Disposal and the Recent VXR Disposals, the Company has considered and made reference to, among other matters:

- (a) the prevailing market prices of the VXR Shares, together with the historical performance of the VXR Shares, both in terms of market prices and limited liquidity, on the relevant dates when the respective disposals took place;
- (b) the feedback and advice received from several brokerage securities firms as to the likely discount that would be necessary to attract interested buyers should a disposal of the Company's stake in VXR be considered;
- (c) the size of the April VXR Disposal and the Recent VXR Disposals, which, together, were relatively large compared to VXR's market liquidity of the VXR Shares on those respective days; and
- (d) the Group's imminent funding requirements that are set out below.

In particular, it is noted that:

- (i) The April VXR Disposal was conducted at a price of A\$0.22 per VXR Share, representing a discount of only 4.35 per cent to the closing price of VXR Shares on the ASX of A\$0.23 per VXR Share on 1 April 2019, being the day immediately preceding the date of execution of the irrevocable instruction with the broker.
- (ii) The disposals of VXR Shares to Galloway, being part of the Recent VXR Disposals, were conducted at prices that ranged from A\$0.10 to A\$0.20 per VXR Share, representing a maximum discount of only 4.76 per cent through to a premium of 6.38 per cent to the closing price of VXR Shares on the ASX on the day immediately preceding the date of execution of the relevant irrevocable instruction with the broker or the day on which the terms of the trade were otherwise agreed. It is noted that the prices paid per VXR Share by Galloway during such period were solely or predominantly at either the then market trading price of VXR Shares on the ASX or at the same price as was negotiated and agreed between a broker and independent third party buyers of VXR Shares on market.

In light of the foregoing, the Company considers that the price at which the VXR Shares were sold pursuant to the April VXR Disposal and the Recent VXR Disposals are fair and reasonable, as they struck a reasonable and considered balance between achieving the best price possible for the Group, while preserving demand from the ultimate buyers.

The Directors (including the Independent Non-Executive Directors) consider the April VXR Disposal, and the Recent VXR Disposals 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 April VXR

Disposal and the Recent VXR Disposals 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 VXR, the Company's attributable share (being 5.47 per cent disposed of) of VXR's: (i) net loss both before and after taxes for the financial year ended 30 June 2019 from continued operations was approximately A\$0.15 million (or approximately US\$0.10 million or HK\$0.78 million); and (ii) net loss both before and after taxes for the financial year ended 30 June 2018 from continued operations was approximately A\$0.14 million (or approximately US\$0.10 million or HK\$0.78 million).

The net asset value of VXR was approximately A\$26.05 million (or approximately US\$17.76 million or HK\$138.53 million) as at 30 June 2019, as set out in VXR's last published annual report for the year ended 30 June 2019.

Intended uses of proceeds

The net proceeds from the disposal of an aggregate of 4,605,369 VXR Shares (inclusive of the April VXR Disposal) of approximately A\$1.02 million (or approximately US\$0.72 million or HK\$5.62 million) have been used for the Company's general working capital and corporate requirements, while the net proceeds of the disposal of 10,690,817 VXR Shares (inclusive of the Recent VXR Disposals) of approximately A\$2.03 million (or approximately US\$1.39 million or HK\$10.84 million), together with existing resources available to the Company (including new funds raised by the issuance of the convertible loan notes announced on 29 May 2019 and 23 August 2019), have been and will be applied towards financing the Company's general working capital requirements and, in particular, facilitating funding of the settlement of Australian taxation litigation in the amount of A\$9.50 million (or approximately US\$6.73 million or HK\$52.49 million). The Directors consider that such applications of funds are in the interests of the Company and its Shareholders as a whole.

Reasons for the disposals

In light of the aggregate consideration achieved for both the April VXR Disposal and the Recent VXR Disposals and the funding requirements of the Group, both back in April 2019, as well now, the Directors (including the Independent Non-Executive Directors) consider the April VXR Disposal and the Recent VXR Disposals 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 April VXR Disposal and the Recent VXR Disposals are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Discloseable transaction

Given that the total cash consideration received from the Recent VXR Disposals in respect of the disposal of an aggregate of 10,690,817 VXR Shares of approximately A\$2.03 million (or approximately US\$1.39 million or HK\$10.84 million), together with the total cash consideration received from the disposal of an aggregate of 4,605,369 VXR Shares pursuant to the April VXR Disposal of approximately A\$1.02 million (or approximately US\$0.72 million or HK\$5.62 million), being approximately A\$3.05 million (or approximately US\$2.11 million or HK\$16.46 million), exceed 5 per cent but are less than 25 per cent of the Company's total market capitalisation, the disposal of an aggregate of 15,296,186 VXR Shares since April 2019 constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

Connected transaction

Given that James Mellon (the Non-Executive Chairman of the Board of the Company currently holding, by himself and his associates, 21.11 per cent of the total issued share capital of the Company) and Jamie Gibson (the Executive Director and the Chief Executive Officer of the Company) are connected persons of the Company:

- (i) the disposal of an aggregate of 2,435,369 VXR Shares to James Mellon and Jamie Gibson (being the April VXR Disposal); and
- (ii) the disposal of 8,190,817 VXR Shares to Galloway (being part of the Recent VXR Disposals),

each constitutes a connected transaction of the Company under Chapter 14A of the HK Listing Rules. The April VXR Disposal, at that time, was fully exempt from the written agreement, the announcement, the circular (including independent board committee's and independent financial adviser's advice), the Independent Shareholders' approval and the annual reporting requirements under the *de minimis* provision of Rule 14A.76(1) of the HK Listing Rules. However, the disposal of 8,190,817 VXR Shares to Galloway as part of the Recent VXR Disposals, when aggregated with the April VXR Disposal, is exempt from only the circular (including independent board committee's and independent financial adviser's advice) and the Independent Shareholders' approval requirements under the *de minimis* provision of Rule 14A.76(2) of the HK Listing Rules. As such, the Company is required to make this announcement and include the views of the Independent Non-Executive Directors on the April VXR Disposal, as well as in respect of the disposal of 8,190,817 VXR Shares to Galloway as part of the Recent VXR Disposals.

James Mellon and Jamie Gibson have both abstained from voting on the board resolutions approving the April VXR Disposal, while James Mellon has abstained from voting on the board

resolutions approving the disposal of 8,190,817 VXR Shares to Galloway as part of the Recent VXR Disposals.

Save for the above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of VXR, the brokers through which the disposal of VXR shares (including the April VXR Disposal and the Recent VXR Disposals) were conducted, the counterparties to the disposals of the VXR Shares and their respective beneficial owner(s) and associate(s) is a third party independent from 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 April VXR Disposal and the Recent VXR Disposals in accordance with the HK Listing Rules.

Views of the Independent Non-Executive Directors

Having taken into account the terms and conditions of the April VXR Disposal, together with the Recent VXR Disposals, the Independent Non-Executive Directors are of the views that:

- the terms and conditions of the April VXR Disposal and the Recent VXR Disposals are fair and reasonable so far as the Company and the Independent Shareholders are concerned;
- such disposals are on normal commercial terms and in the ordinary and usual course of business of the Group; and
- such disposals are in the interests of the Company and the Shareholders as a whole.

Background on VXR

VXR (ASX: VXR), an ASX-listed company, is a base metals exploration and development company, focused on progressing its two promising zinc/copper projects in the Pilbara region of Western Australia.

Further information on VXR can also be found on its website <http://www.venturexresources.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, wellness 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 Fortacin™, a prescription treatment for male premature ejaculation.

Definitions

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

“A\$”	Australian dollars, the lawful currency in Australia
“associate(s)”	shall have the meaning defined in the HK Listing Rules
“ASX”	the Australian Securities Exchange
“ATO”	the Australian Taxation Office
“Board”	the board of directors of the Company
“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
“April VXR Disposal”	the disposal by the Company of an aggregate of 2,435,369 VXR Shares on 3 April 2019 via a broker, being: (i) 1,217,684 VXR Shares disposed of to James Mellon; and (ii) 1,217,685 VXR Shares disposed of to Jamie Gibson, in each case at the price of A\$0.22 (or approximately US\$0.15 or HK\$1.17) per VXR Share, for an aggregate consideration of approximately A\$0.54 million (or approximately US\$0.37 million or HK\$2.89 million) in cash
“Director(s)”	the directors of the Company

“Galloway”	Galloway Limited, being a company indirectly wholly owned by James Mellon
“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
“Independent Non-Executive Directors”	the Independent Non-Executive Directors of the Company, namely David Comba, Julie Oates and Mark Searle
“Independent Shareholder(s)”	the Shareholders excluding James Mellon and Jamie Gibson (and their respective associates)
“Recent VXR Disposals”	the disposal by the Company of an aggregate of 10,690,817 VXR Shares between 30 July 2019 and 3 December 2019 via a broker to independent third parties in the market and, separately, to Galloway, for an aggregate consideration of approximately A\$2.03 million (or approximately US\$1.39 million or HK\$10.84 million) in cash
“Settlement Agreement”	the settlement agreement entered into on 18 March 2019 by the Company with the ATO, which was supplemented by an amendment agreement dated 27 May 2019, in relation to a dispute on the Australian capital gain tax relating to the disposal of shares in BC Iron Limited in January 2013, pursuant to which the Company is required to pay a settlement amount of A\$9.50 million (or approximately US\$6.73 million or HK\$52.49 million) to the ATO (as announced by the Company on 18 March and 27 May 2019)
“Shareholder(s)”	the holders of the Shares
“Share(s)”	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

“US\$” United States dollars, the lawful currency in the United States

“VXR” Venturex Resources Limited, a public listed company incorporated in Australia, whose shares are listed on ASX (ASX: VXR)

“VXR Share(s)” the ordinary voting and listed shares in the capital of VXR

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\$0.6816; 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\$7.80.

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, 12 December 2019