



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

13 March 2008

ANNOUNCEMENT

EXERCISE OF OPTION UNDER THE YUKE COAL OPTION AGREEMENT

SUMMARY

As disclosed in the VSA Circular, Mr. Yan has granted CCEC (currently a wholly-owned subsidiary of the Group), for a nominal price of US\$1.00, an option to purchase the entire share capital in Yuke Coal, exercisable within the period of two years from the date of the Yuke Coal Option Agreement. The exercise of the option under the Yuke Coal Option Agreement is contemplated as part of the Transaction which constituted a very substantial acquisition for the Company under the Listing Rules and has been approved by the Shareholders at the EGM. On 29 February 2008, the Company announced that, among others, CCEC would exercise the option by 21 March 2008.

The Board is pleased to announce that CCEC exercised the option under the Yuke Coal Option Agreement on 13 March 2008. The purpose of this announcement is to provide the Shareholders with information on further details of the exercise of the option under the Yuke Coal Option Agreement for information purpose only.

BACKGROUND

As disclosed in the VSA Circular, Mr. Yan has granted CCEC (currently a wholly-owned subsidiary of the Group), for a nominal price of US\$1.00, an option to purchase the entire share capital in Yuke Coal, exercisable within the period of two years from the date of the Yuke Coal Option Agreement. The exercise of the option under the Yuke Coal Option Agreement is contemplated as part of the Transaction which constituted a very substantial acquisition for the Company under the Listing Rules and has been approved by the Shareholders at the EGM. On 29 February 2008, the Company announced that, among others, CCEC would exercise the option by 21 March 2008.

The Board is pleased to announce that CCEC exercised the option under the Yuke Coal Option Agreement on 13 March 2008. The purpose of this announcement is to provide the Shareholders with information on further details of the exercise of the option under the Yuke Coal Option Agreement for information purpose only.





EXERCISE OF THE OPTION UNDER THE YUKE COAL OPTION AGREEMENT

According to the terms of the Yuke Coal Option Agreement, subject to CCEC being satisfied that completion will take place, the consideration payable on exercise of the option is the US\$ equivalent of RMB20,000,000, payable one month after completion or discharge of all of the financial obligations agreed to in the Yuke Coal Acquisition Agreement.

On completion, Mr. Yan shall deliver to CCEC, among others:

- (i) duly executed transfer documents in relation to the exercise of the option;
- (ii) legal opinion issued by Yuke Coal's PRC legal counsel confirming the ownership and due establishment of WOFE (a wholly-owned subsidiary of Yuke Coal) and the title of the Shandong Exploration Licences (the key assets of WOFE); and
- (iii) legal opinion issued by Yuke Coal's Hong Kong legal counsel confirming Yuke Coal has been legally established with the sole shareholder being Mr. Yan.

The consideration will be financed by the Group's internal cash resources. It is expected that completion will occur in or around late March 2008. In light of the Shandong Exploration Licences owned by Yuke Coal through WFOE in respect of coal deposits in Xinjiang, the Directors consider the exercise of the option and subsequent acquisition of Yuke Coal, a company seeking investment opportunities in the coal mining sector in the PRC, to be an attractive investment opportunity for the Company and is consistent with the Company's known strategy of acquiring quality mining or mining related assets. The consideration was negotiated between Yuke Coal and CCEC on arm's length basis, with reference to Yuke Coal management's assessment (based on its expertise, knowledge and experience in the PRC mining industry) of the value and business potential of the Shandong Exploration Licences and the stated coal resources of 653 million tonnes of one of the coal seams. After considering the foregoing, the Directors believe that the terms of the Yuke Coal Option Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DETAILS OF YUKE COAL

Yuke Coal is an investment holding company incorporated in Hong Kong. Yuke Coal is engaged in seeking investment opportunities in the coal mining sector in the PRC. Based on the unaudited management accounts of Yuke Coal, Yuke Coal currently does not have any assets (apart from the Shandong Exploration Licences), liabilities (apart from the New Advances) and operations.

The audited net loss of Yuke Coal (before and after taxation) was approximately US\$21,000 for the period ended from 29 November 2006 (being the date of incorporation of Yuke Coal) to 31 July 2007. The audited net liabilities of Yuke Coal were approximately US\$21,000 as at 31 July 2007. The above audited financial information of Yuke Coal is prepared in accordance with HKFRS. Further details of Yuke Coal's audited financial information (including the audited net asset value, revenue and profit or loss information) and technical information has been set out in the VSA Circular for Shareholders' information.



Based on the unaudited management accounts of Yuke Coal, the unaudited net loss of Yuke Coal was approximately US\$147,405 for the year ended 31 December 2007 and the unaudited net liabilities of Yuke Coal were approximately US\$146,405 as at 31 December 2007.

Details of the Shandong Exploration Licences are set out as follows:

<u>Licence Number</u>	<u>Licence Holder</u>	<u>Project Name</u>	<u>Exploration Area</u>	<u>Term</u>
T65120080101002014	Xinjiang Regent Coal Limited	General exploration of Buo Ta Muo Yun Coal Mine, Mulei County	29.71 square kilometres	From 28 January 2008 to 28 January 2009
T65120080101002003	Xinjiang Regent Coal Limited	General exploration of Ku Lan Ka Zi Gan Coal Mine, Mulei County	29.43 square kilometres	From 28 January 2008 to 28 January 2009
T65120080101002017	Xinjiang Regent Coal Limited	General exploration of Suo Er Ba Si Tao Coal Mine, Mulei County	29.40 square kilometres	From 28 January 2008 to 28 January 2009
T65120080101002001	Xinjiang Regent Coal Limited	General exploration of Ku Lan Ka Zi Gan Northwest Coal Mine, Mulei County	29.44 square kilometres	From 28 January 2008 to 28 January 2009

WOFE, a wholly-owned subsidiary of Yuke Coal, is the legal owner of the four Shandong Exploration Licences issued by the Land and Resources Department of Xinjiang Uygur Autonomous Region for exploration of coal deposits at Mulei-Qitai Kazak Autonomous County, Changji Hui Autonomous Prefecture, Xinjiang Uygur Autonomous Region for a total exploration area of 117.98 square kilometres. The Shandong Exploration Licences have been re-issued in the name of WOFE, but WOFE has not fully paid the amount payable to the transferor of the transfer. It is expected that such payment will be made in or around late March 2008.

GENERAL

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is an investment holding company focused on investment in mining assets, principally in the PRC.

CCEC is an investment holding company incorporated in the British Virgin Islands on 27 July 2006. CCEC is principally engaged in seeking investment opportunities in businesses that are engaged in the full life-cycle of exploration, extraction and sale of thermal coal and coking coal and in addition the operation of coke and chemical works in the PRC. CCEC has become a wholly-owned subsidiary of the Company since the completion of the acquisition of CCEC on 14 December 2007.



Mr. Yan is a consultant in the mining business with experience in the PRC and Europe. Mr. Yan is the sole beneficial owner of Yuke Coal since incorporation. To the best of the Directors' knowledge, information and belief, having made reasonable enquiry, Mr. Yan is a third party independent of the Company and connected persons of the Company and its subsidiaries.

The exercise of the option under the Yuke Coal Option Agreement is contemplated as part of the Transaction which constituted a very substantial acquisition for the Company under the Listing Rules and has been approved by the Shareholders at the EGM. The purpose of this announcement is to provide the Shareholders with information on further details of the exercise of the option under the Yuke Coal Option Agreement for information purpose only.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	the board of Directors
"CCEC"	CCEC Ltd., a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at the date of this announcement
"Company"	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Stock Exchange and are traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company held on 8 December 2007 which approved, among others, the exercise of the option under the Yuke Coal Option Agreement
"Group"	the Company and its subsidiaries
"HKFRS"	the Hong Kong Financial Reporting Standards
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mr. Yan"	Mr. Yan Ping, the vendor under the Yuke Coal Option Agreement who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and connected persons of the Company and its subsidiaries
"New Advances"	the advances granted by CCEC to Yuke Coal in the aggregate amount of US\$22,500,000, details of which have been disclosed in the announcement dated 29 February 2008 issued by the Company



“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Exploration Licences”	has the meaning as defined in the VSA Circular
“Shareholders”	holders of the Shares
“Shares”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	has the meaning as defined in the VSA Circular
“US”	the United States of America
“US\$”	US dollars, the lawful currency of the US
“VSA Circular”	the circular dated 22 November 2007 of the Company in relation to, among others, details of the Transaction (which constitutes a very substantial transaction for the Company under the Listing Rules)
“WOFE”	Xinjiang Regent Coal Limited, a wholly-owned subsidiary of Yuke Coal
“Yuke Coal”	Yuke Coal Limited, a company incorporated in Hong Kong which is established to hold the rights of certain coal exploration and/or mining licences in Xinjiang, the PRC
“Yuke Coal Acquisition Agreement”	has the same meaning as defined in the VSA Circular
“Yuke Coal Option Agreement”	has the same meaning as defined in the VSA Circular

By Order of the Board
REGENT PACIFIC GROUP LIMITED
Jamie Gibson
Executive Director



Directors of the Company:

James Mellon (*Co-Chairman*)*

Stephen Dattels (*Co-Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Stephen Bywater*

Clara Cheung

David Comba[#]

Julie Oates[#]

Mark Searle[#]

John Stalker*

Jayne Sutcliffe*

Wu Yuan[#]

* *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 13 March 2008