



# Regent Pacific Group Limited

## CCEC Investment

October 2007





# Regent Pacific Group Limited



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## Disclaimer (con't)

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The information in this presentation relating to the (i) JORC Code Mineral Resource Statement as at March 2007 have been approved for release by Kai Qiang Fan, Regent's Chief Geologist and Patrick Adams, of Cube Consulting Pty Ltd ("Cube"), both of whom are members of the Australasian Institute of Mining & Metallurgy and have the necessary experience relevant to the style of mineralization, the type of deposit and the activity undertaken to qualify as a Competent Person under the JORC Code for Reporting of Mineral Resources and Ore Reserves (2004 Edition) and (ii) the Ore Reserves Statement as at March 2007 was prepared in accordance with The 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code) undertaken by Quinton de Klerk, who is a Director at Cube and a member of the Australasian Institute of Mining & Metallurgy .



# Regent Pacific Group Limited



## Section I

## Transaction Summary



# Transaction Summary

## Announcement Date

- 14 September 2007

## Acquirer

- Regent Pacific Group Limited (“Regent”, 575.HK)

## Target

- Goal of 100% ownership of CCEC
- 56.20% has contractually committed to sell to Regent <sup>(1)</sup>

## Consideration

- 1,525,296,711 new Regent Shares (equivalent to US\$209M<sup>(2)</sup>) to all existing CCEC shareholders

## Exchange Ratio

- 5,509.3721 Regent Shares per CCEC share

## EGM

- Circa early December 2007

## Key Conditions Precedent

- Regent shareholders’ approval
- Hong Kong Stock Exchange clearance of listing of new Regent shares
- Required regulatory approvals obtained and in effect
- Other customary conditions precedents

### Notes:

1. Percentage calculated based on the enlarged share numbers of CCEC after the US\$45M share placement on 3 October 2007
2. Based on HK\$1.07 per share





# Regent Before and After Transaction

## Pre-Transaction

Regent Fully Diluted Shares Outstanding	2,707,313,875
Current Share Price (HK\$) <sup>(1)</sup>	1.54
Fully Diluted Market Capitalization (US\$) <sup>(2)</sup>	534,520,944
CCEC Shares Outstanding	263,242
Implied Valuation at Issue Price (US\$) <sup>(3)</sup>	198,950,959

## Post-Transaction

Regent Fully Diluted Shares Outstanding	4,232,610,586
Post Transaction Fully Diluted Market Cap (US\$) <sup>(2)</sup>	835,669,269

Notes:

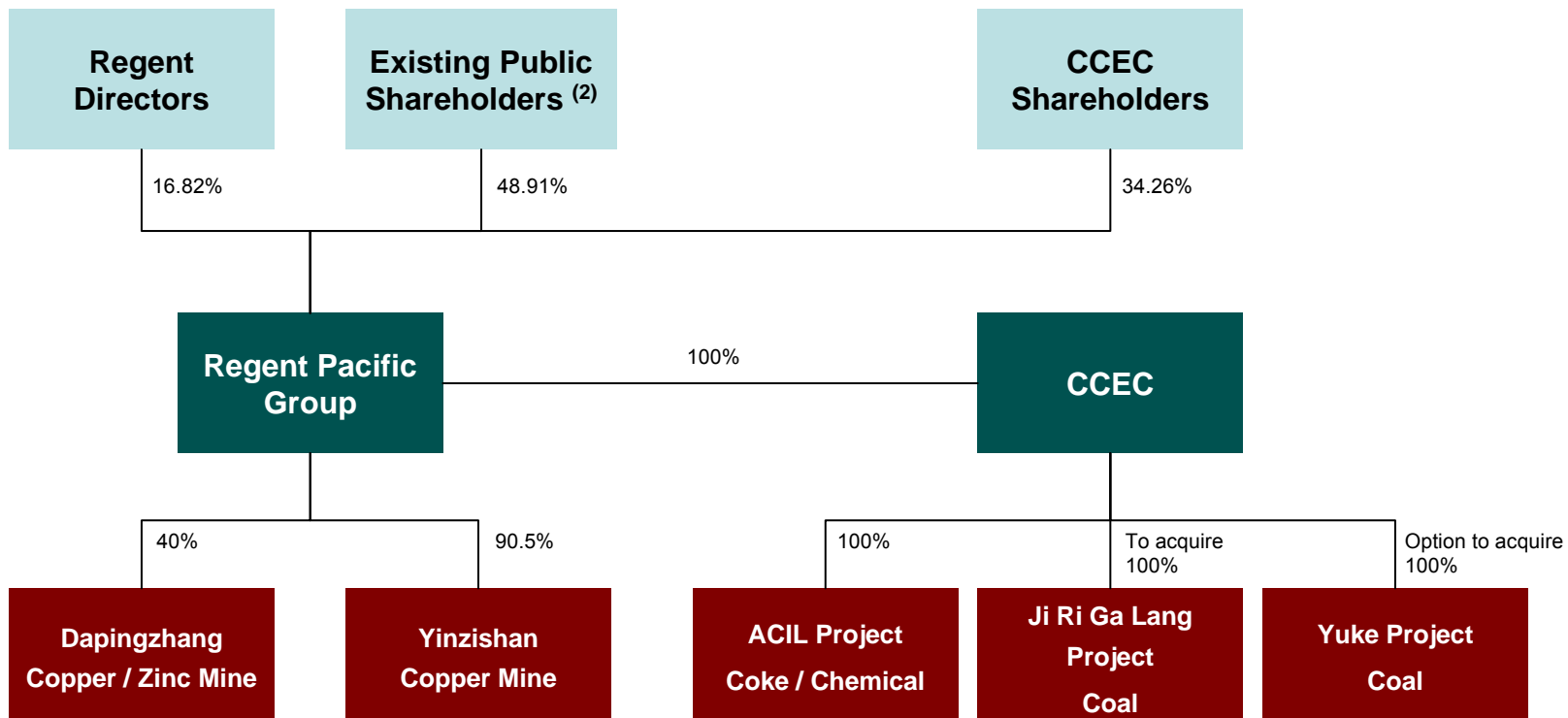
1. As of 22 Oct 2007
2. Price as of 22 Oct 2007; exchange ratio: 1 US\$=7.8 HK\$
3. Based on HK\$1.07 per share





# Post-Transaction Shareholding Structure

Post-Transaction (fully diluted) <sup>(1)</sup>



Notes:

1. Percentage of shareholdings is calculated assuming the CBs and the Redeemable Convertible Preference Shares are fully converted into shares and all outstanding share options are exercised
2. Includes 293,339,464 shares placed on 28 Sep 2007





# Pre/Post-Transaction Shareholding Structure of Regent

	Pre-transaction (Basic)		Post-transaction (Basic)		Pre-transaction (Fully diluted)		Post-transaction (Fully diluted)	
	Shares Held	Percentage	Shares Held	Percentage	Shares Held	Percentage	Shares Held	Percentage
<b>Regent Directors</b>	483,352,672	23.71%	483,352,672	13.56%	712,090,603	26.30%	712,090,603	16.82%
<b>Existing Public Shareholders <sup>(1)</sup></b>	1,555,009,095	76.29%	1,630,009,095	45.74%	1,995,223,272	73.70%	2,070,223,272	48.91%
<b>CCEC Shareholders</b>	0	0.00%	1,525,296,711	42.80%	0	0.00%	1,525,296,711	36.04%
<b>Total</b>	2,038,361,767	100%	3,563,658,478	100%	2,707,313,875	100%	4,232,610,586	100%

Note:

1. Existing Public Shareholders of Regent (pre-transaction) include, 293,339,464 shares placed on 28 Sep 2007





# Regent Pacific Group Limited



## Section II

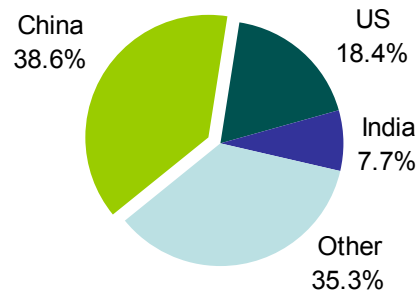
## Transaction Rationale



# Attractive Industry Fundamentals in China

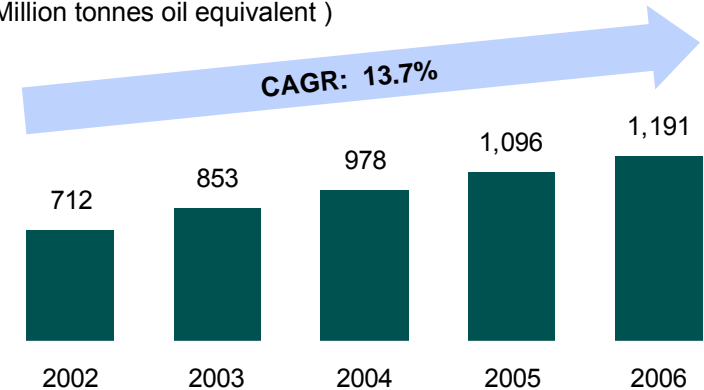
## China is the World's Largest Coal Consuming Country

2006 World Coal Consumption



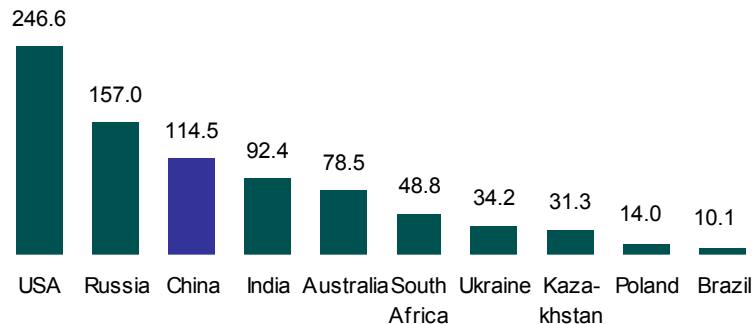
## China Continues to Lead Strong Coal Demand Growth

(Million tonnes oil equivalent)



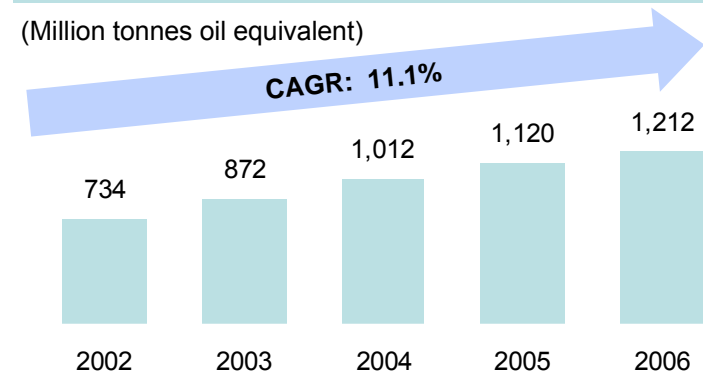
## Rich Coal Reserves in China

Proved Reserves at end of 2006 (Billion tonnes)



## Steady Growth in China's Coal Supply (1)

(Million tonnes oil equivalent)



Notes:

1. Commercial solid fuels only, i.e. bituminous coal and anthracite (hard coal), and lignite and brown (sub-bituminous) coal

Source: BP Statistical Review of World Energy June 2007

**Demand for Coal Expected to Remain Strong in China**



# CCEC's Growth Strategies Fit Into Our Development Goal

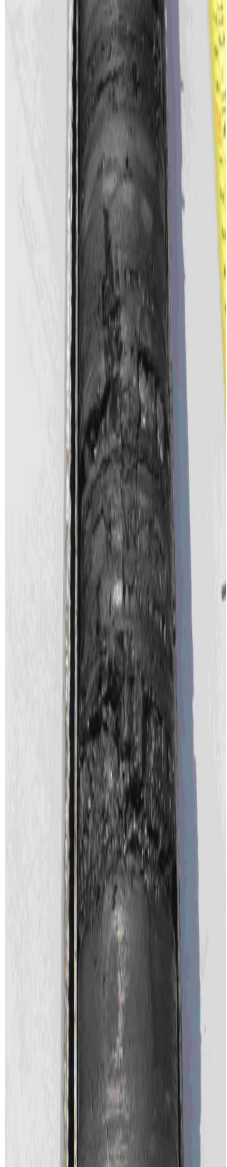
- **Focus on acquiring projects which can generate immediate cash flow**
- **Various stage of negotiation on a number of acquisition targets with approximately 15Bt of coal in total**
- **Focus on high-quality, low capital coal operations**
- **Focus on regions designated as high priority for coal development by Chinese central government**
- **Investing in different parts of the value chain to create synergy and maximize profitability**
- **Building up strong management team**





# CCEC – Fundamentals of China's Coal Market

- **China is the World's largest coal consuming country**
- **China has extensive coal reserves  
(3<sup>rd</sup> largest in the world at 114.5Bt)**
- **Favorable industry and regulatory environment**
- **Increasing coal industry consolidation  
(encourages acquisition of small - medium sized coal mines)**
- **2005 raw coal output 2,190Mt and 2010 forecast at 2.6Bt**





# CCEC – Opportunities

## **Unique opportunity for coal in China**

- **Near term railway bottlenecks likely to keep coastal supply tight**
- **Strong contract settlement imply coal cycle is just taking off**
- **Contract prices have seen the largest increase in past 2 years**
- **Domestic coal prices predicted to match international prices within 3 years**
- **84% of China's coal is sold to domestic market, mostly on contract**
- **Foreign investment encouraged in coal industry**
- **Un-paralleled demand**
- **Rationalisation of mines**
- **April 2007 - China became a net importer of coal for the first time**
- **Chinese Government has allocated RMB 1 Trillion for the development of the coal industry**





# Senior Management Team Adds Great Value by Providing Rich Industry Experience

- **Stephen Dattels**

- Former Executive VP Corporate Finance & Director of Barrick Gold Corporation
- Extensive track record of managing successful mining projects
- A financier and founder of many successful mining projects including UraMin Inc., International Gold Corporation, Caledon Resources Corporation, Oriel Resources Corporation, etc.

- **Stephen Bywater**


- Former COO of Rio Tinto Coal Australia
- Over 30 years mining experience in both open pit & underground operations
- Distinguished career in the resources industry, developing and operating a total of 14 large scale open pit mining operations

- **Adrian Lungan**

- Specialised in mineral property evaluation and acquisitions
- Co-founder of UraMin Inc. and has over 26 years exploration and mining experience
- Specializing in coal, gold copper, diamond & nickel/base metals China, Asia, Australia and Africa

- **Wu Yuan**

- Retired President of Shenhua Group
- Credited with being responsible for implementing the successful growth strategy and development of Shenhua in the last decade
- Prior to retirement, in September 2006, was a Party Group member, Executive Director and President
- Mr. Wu Yuan has agreed in principle subject to the execution of a service agreement to become a Non-Executive Director of CCEC



**Financing  
Expertise**

**Global Mining  
Expertise**

**Operating  
Expertise**

**China Deal  
Execution  
Expertise**





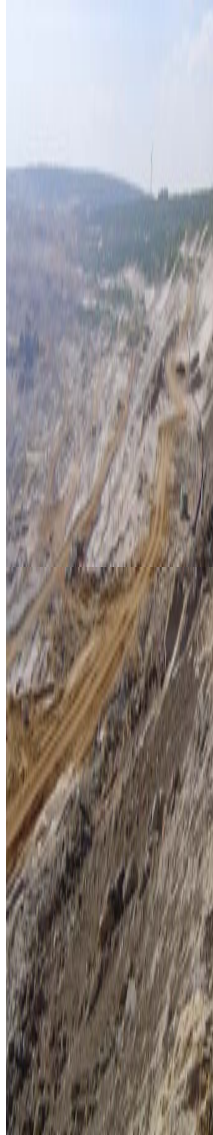
# CCEC – Management Team (cont'd)

- **Rick Lu**

- Canadian-Chinese with strong financial and management background
- Has been based full time in Beijing since 2001
- Initially involved in managing an established iron-ore, steel and commodity company and later specialised in the acquisition of iron ore and other mineral properties
- Focused mainly on gold, copper, nickel and coal property acquisitions in the last 3 years
- Representative of UraMin Inc. in China since 2005

- **Graham Taggart**

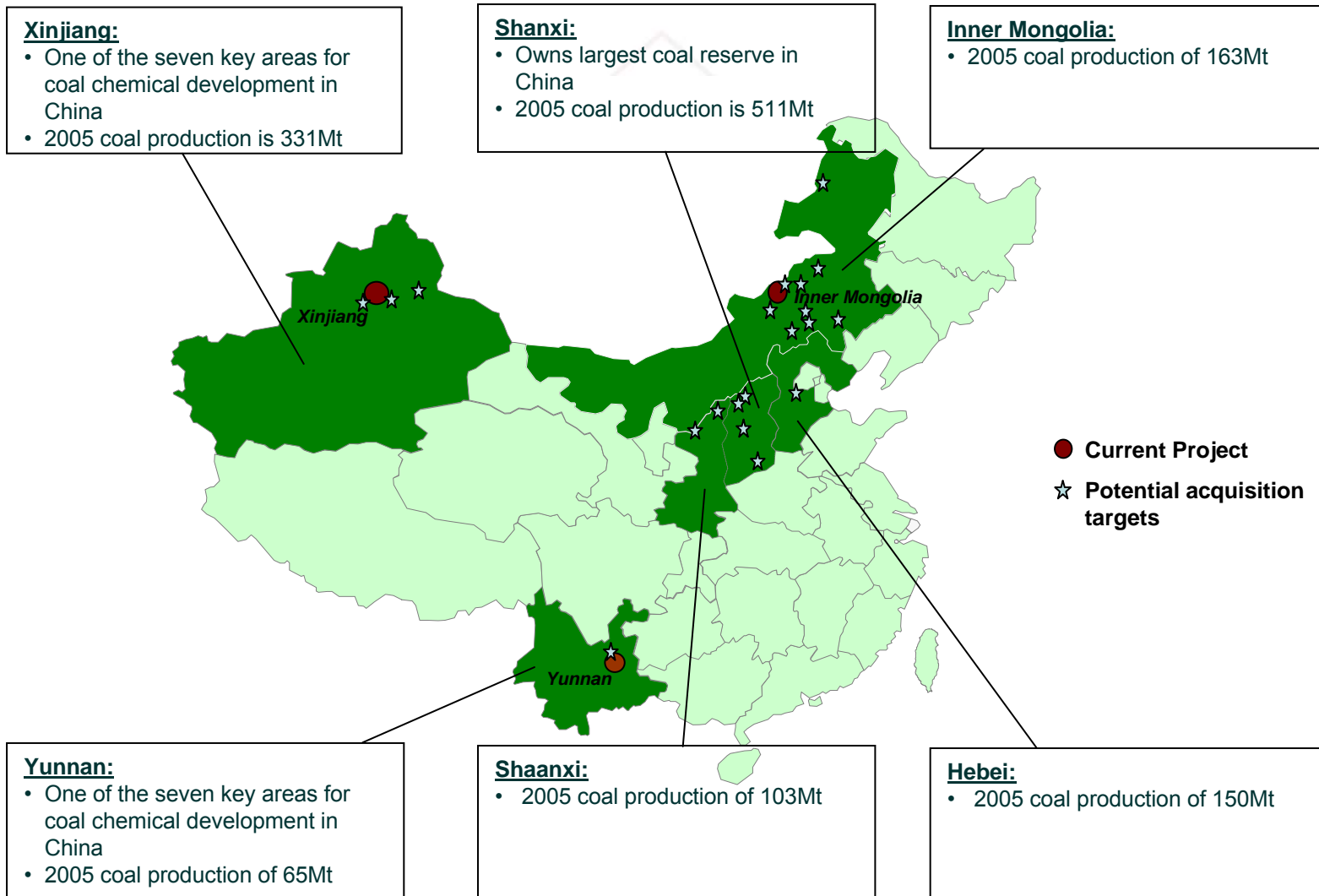
- Chartered Accountant with 25 years experience in mining industry
- Has held various commercial roles for Rio Tinto in its Australian and Indonesian coal and gold businesses
- Most recent CFO roles were with Rio Tinto Coal Australia (producing 60Mtpa of thermal and coking coal) and with PT Kaltim Prima Coal (producing 20Mtpa of thermal coal)







# Foreseeable Strong Pipeline in Coal Industry Supports Our Future Expansion



Source: 2005 China Coal Industry Statistic Year Book, China National Development and Reform Commission website



# The Unique Acquisition Opportunity Will Accelerate Our Growth

**By acquiring CCEC, Regent will be able to**

**Catch the  
Upward Swing  
of Coal Industry  
in China**

**Strengthen the  
Expertise of  
Management  
Team**

**Diversify  
Business Risk  
and Increase  
Earnings**

**BECOME THE NEXT HONG KONG MINING HOUSE**



# Regent Pacific Group Limited



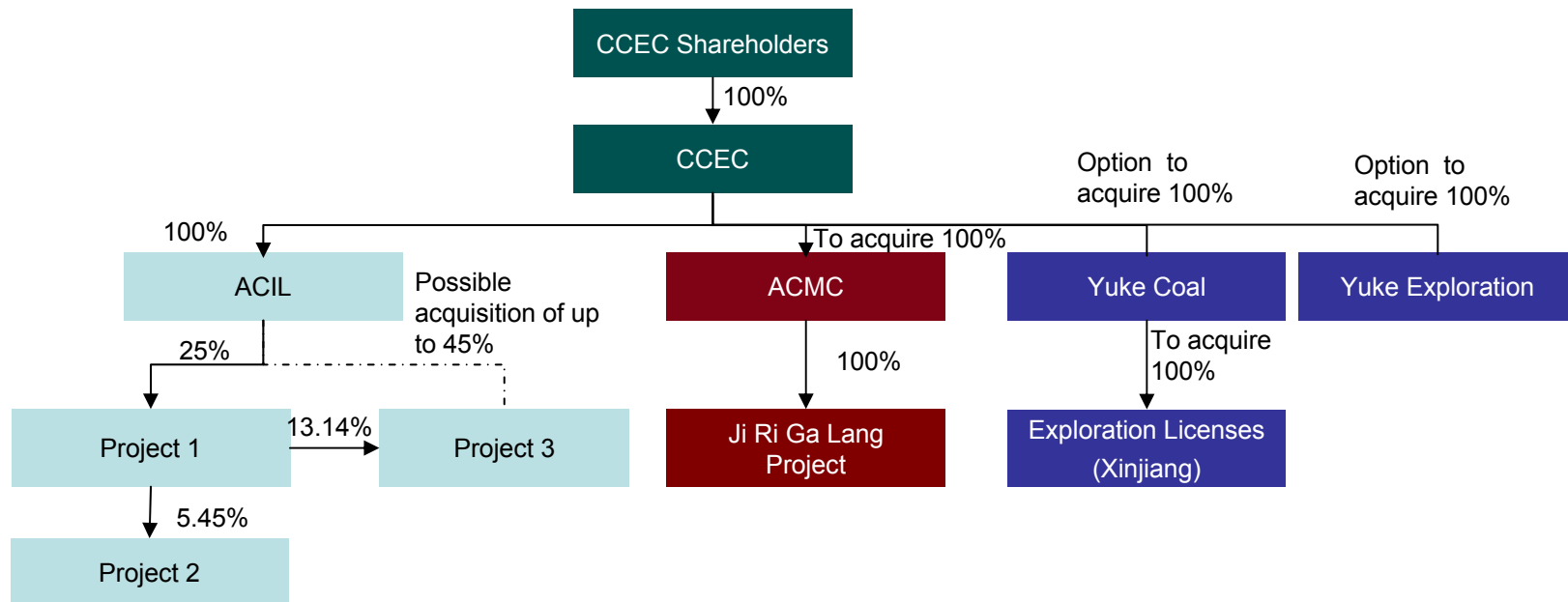
## Section III

## Overview of CCEC



# Overview of CCEC

- CCEC is an investment holding company
- 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 currently owns equity interests in three coke-chemical plants in Yunnan; it has also entered into the Ji Ri Ga Lang Project SPA and the Yuke Option Agreements, which, upon consummation, shall give CCEC rights to acquire interests in coal projects in Inner Mongolia and Xinjiang





# ACIL Project

- **ACIL is engaged in investing in coking and chemical projects in China**
  - Project I – a 1.05Mt coking-chemical plant + 80Kt methanol
  - Project II <sup>(1)</sup> – a 2.24Mt coking-chemical plant + 209Kt methanol
  - Project III <sup>(1)</sup> – a 500Kt synthetic ammonia plant
- **Founded by Sing Wang together with veteran specialists in 2003**
- **Extensive government and business network in China, with significant impact on the provincial and regional government authorities in Southwest China**
- **Consideration: US\$24.4M in cash and interest free shareholder's loan to ACIL with an amount of US\$3.4M for 100% of ACIL**
- **Currently negotiating up to 45% interest in Project III with a maximum price of US\$76.86M**

Notes:

1. Under construction





# ACIL Project – Business & Products

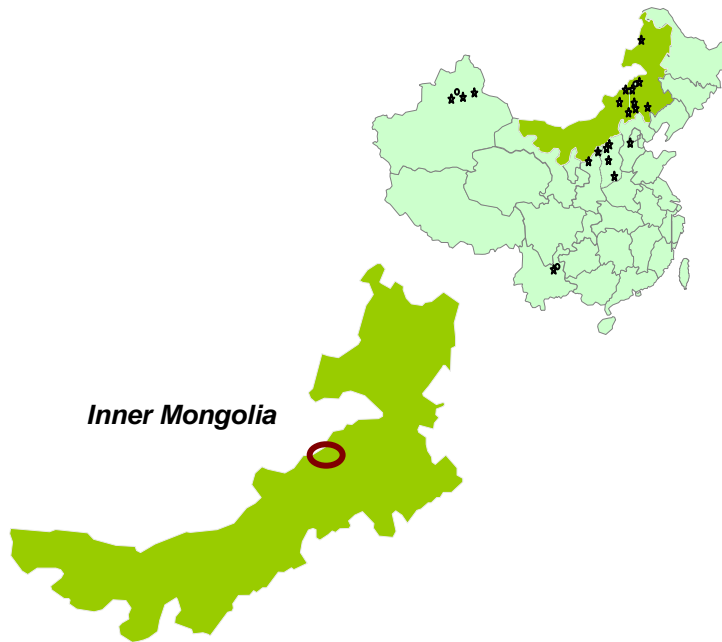


Products	Project 1	Project 2	Project 3
Coke	1.05Mt	2.24Mt	-
Coal Tar	30,000t	97,500t	-
Crude Benzene	9,000t	85,000t	-
Ammonium Sulfate	8,000t	16,000t	-
Methanol	80,000t	209,000t	-
Synthetic Ammonia	-	-	500,000t
Production Timetable	In full production	Construction work to be completed by December 2007, with commissioning to commence shortly thereafter	Construction work to be completed by December 2007, with commissioning to commence shortly thereafter



# Ji Ri Ga Lang Project

## Asset Location



## Local Market Situation

- Coal Type: Thermal coal / sub-bituminous
  - Estimated Cost: RMB 20/t
  - Estimated Market price: RMB 120/t
- Potential Clients: Power stations in Inner Mongolia
- Logistic: 200 kilometers from railhead
- Time to first coal: circa 2008

## Business Overview

- Exploration license valid till 9 June 2009, covers 132.23 sq kms
- Preliminary mine design completed
- Initial production level set at 3Mt per annum
- Contractor operation assumed, however option of owner-operated equipment is being evaluated
- Initial drilling programme (12 weeks) completed
- Drilling designed to produce resources to JORC Code standard by 1Q08
- Estimate of coal resources: 99Mt (prepared in accordance with the Chinese resource classification scheme)

## Consideration

- RMB 180M or US\$24M for 100% equity





# Yuke Project

## Asset Location



## Local Market Situation

- Coal Type: Thermal coal
  - Estimated Cost: RMB 80/t
  - Estimated Market price: RMB 200/t
- Potential Clients: Power stations, industrial & CTL projects
- Logistic: Planned rail extensions into area
- Time to first coal: circa 2010

## Business Overview

- Yuke Project includes Yuke Coal Option Agreement and Yuke Exploration Option Agreement
- Estimate of coal resources under four exploration licenses to be acquired by Yuke Coal: 653Mt (prepared in accordance with the Chinese resource classification scheme)
- Four exploration licenses covering 117.98 sq kms (two of the licenses being renewed)
- Depth to coal:  $\geq 200\text{m}$  Minimum

## Consideration

- US\$1 for the Yuke Coal Option; with an exercise price of RMB 20M for 100% of Yuke Coal (Yuke Coal to pay RMB 158M for four coal exploration licenses)
- US\$1 for the Yuke Exploration Option; with an exercise price of RMB 8M for 100% of Yuke Exploration







# Regent Pacific Group Limited



## Section IV

## Overview of Regent Pacific Group

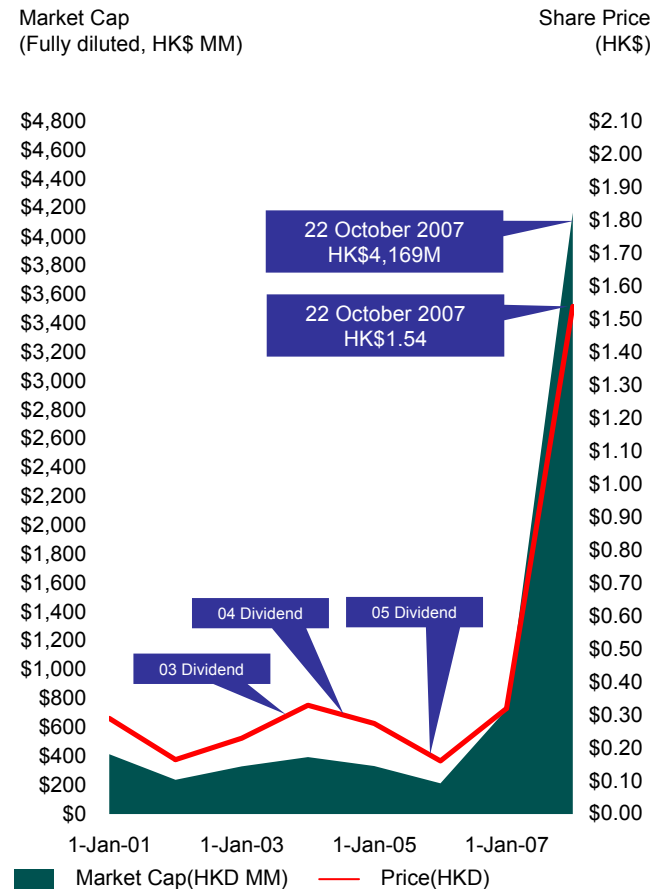


# Regent – Early Stage Producer with Growth

<b>Shares:</b>	2,707M (fully diluted)
<b>Turnover *:</b>	26,033,658 Shares/day (3 months average)
<b>Market cap *:</b>	HK\$4,169M or US\$535M (fully diluted)
<b>Post transaction*:</b>	US\$836M
<b>Listed:</b>	Hong Kong
<b>Code and Index:</b>	0575.HK
<b>Share price *:</b>	HK\$1.54 (or 19.7 US cents)

\* As of 22 October 2007

## Share Price and Market Capitalisation



\*Ex-Dividend date: 13 Nov 03 – US\$3.5M  
 19 Aug 04 – US\$32.4M  
 14 Nov 05 – US\$33.9M

\*Price as of the 1<sup>st</sup> trading day of each year, except for 22 October 2007



# Regent – Management Team

## **Jamie Gibson (CEO)**

Direct Investment Specialist (Ex-Clifford Chance, KPMG and PWC (*formerly Coopers*))

## **Clara Cheung (CFO)**

Ex-Deloitte Touche Tohmatsu

## **Mark Eichorn (Plant Manager)**

Former General Superintendent of Metallurgy at PT Freeport Indonesia. Freeport is the world's largest producer of copper and gold concentrate

## **Kai Fan (Chief Geologist)**

Ex-Sino Gold Chief Mine Geologist (ASX and HK Listed)

## **Shannan Bamforth (Chief Mine Geologist)**

Ex-AngloGold Ashanti and St Barbara Mines

## **Colin Bald (Mine Superintendent)**

Ex-Barrick Kanowna Open Pit Mine Superintendent



# Regent – Quality Asset with China Focus

## 40% Owner of the Dapingzhang JV

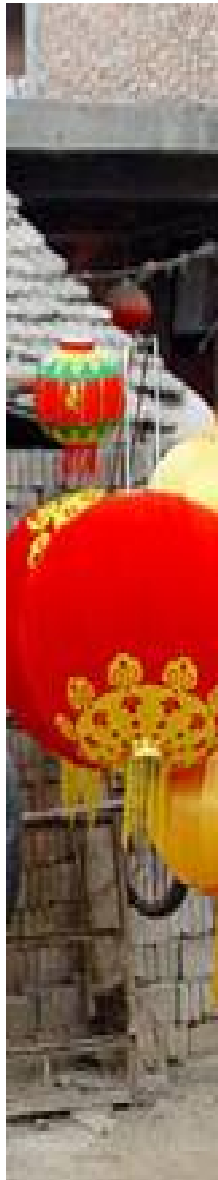
- JV in operation since April 06
- Cash flow positive since operation

## Dapingzhang JV hosts current resources of 325,000t Cu + 230,000t Zn + Au-Ag-Pb

- Two open pits (Dapingzhang and Dawaz)
- LOM Average Annual production of 83,000t Cu and 31,000t Zn at a cash cost of \$0.30/lb Cu (net of by products)

## 90.5% Owner and operator of the Yinzishan JV

- Exploration permits located next to the Dapingzhang Mine and 36km to the south of the Dapingzhang Mine





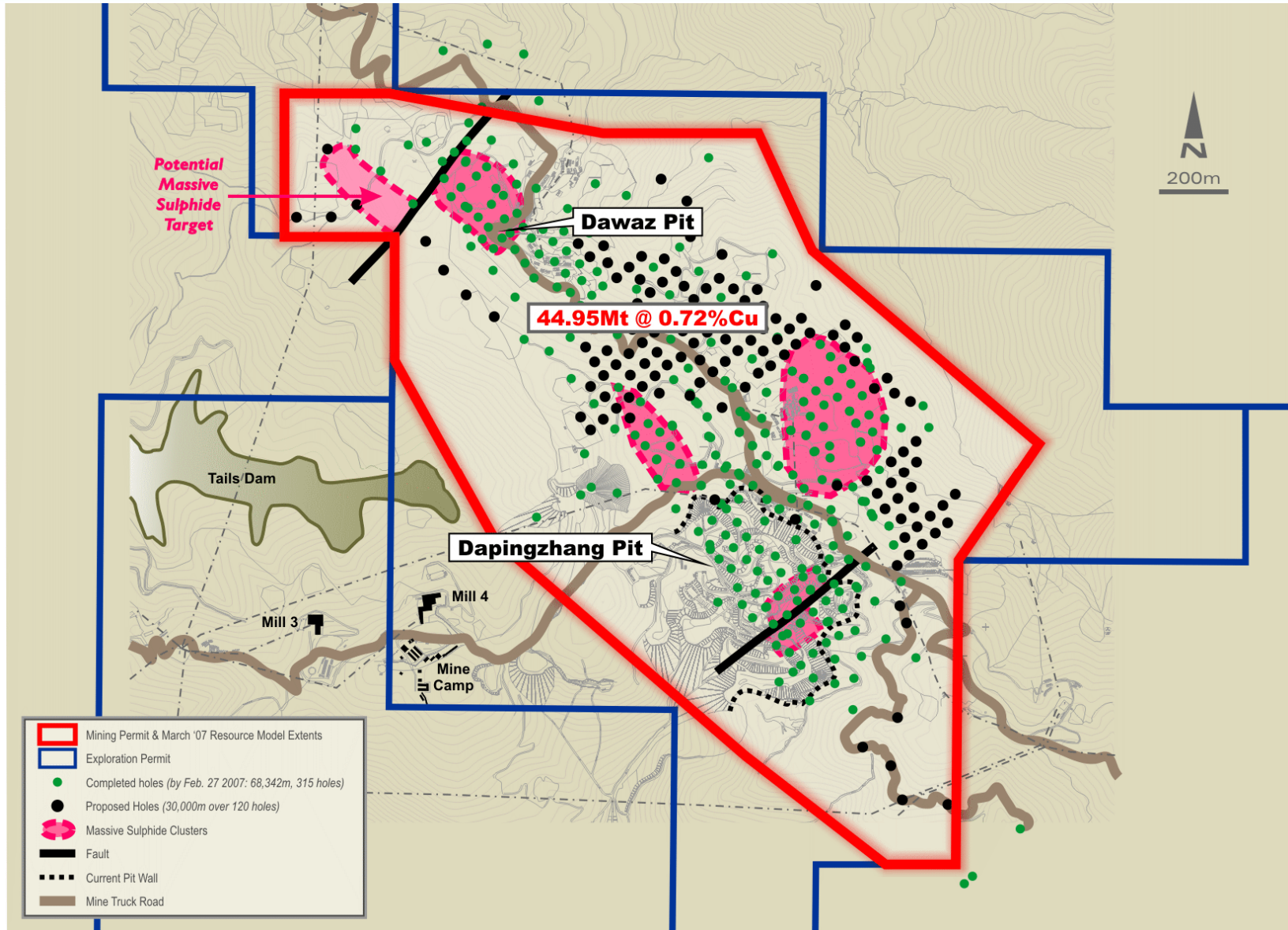
# Dapingzhang JV – VMS Deposit with Significant Upside

- **40% equity interest via Sino-foreign JV Company**
- **20 year operating term**
- **World class VMS system**
- **Excellent potential for becoming a VMS camp**
- **Developed infrastructure**
- **Operational improvements ongoing**
- **Expansion of production under design and engineering**
- **Strong local government and community support**





# Dapingzhang Mine – Potential to Add Significant Resources and Extend Mine Life





# Dapingzhang Mine – Mill Infrastructure

No.3 Mill Plant  
500 tpd

No.2 Mill Plant  
500 tpd

Tailings Dam  
Capacity 16M tonnes

No.4 Mill Plant  
2,000 tpd

New Zinc Circuit  
- Now complete



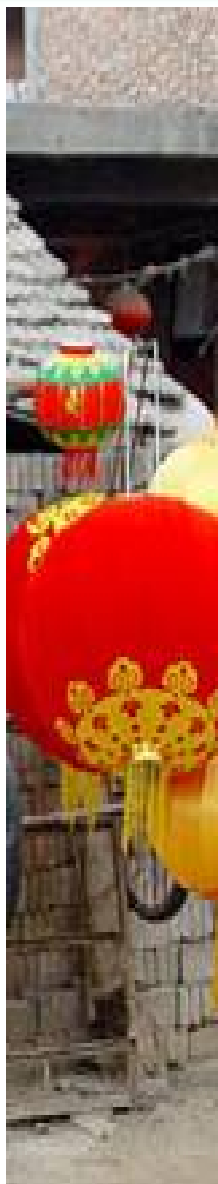


# Dapingzhang Mine – Ore Reserves

## Ore Reserves as at 31 March 2007

**15.57Mt - Cu average grade 1.17% and Zn average grade of 1.09%**

Deposit	Classification	Ore Type	Reserves		Grade			
			tonnes Millions	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Lead (%)
Dapingzhang Pit	Probable	Massive	8.37	1.72	1.53	0.47	17.98	0.16
		Disseminated	6.54	0.54	0.04	0.10	3.65	0.01
<b>Dapingzhang Pit Total</b>			<b>14.91</b>	<b>1.2</b>	<b>0.88</b>	<b>0.31</b>	<b>11.69</b>	<b>0.09</b>
Dawaz Pit	Probable	Massive	0.66	0.53	5.98	0.23	38.30	1.05
		Disseminated	–	–	–	–	–	–
<b>Dawaz Pit Total</b>			<b>0.66</b>	<b>0.53</b>	<b>5.98</b>	<b>0.23</b>	<b>38.30</b>	<b>1.05</b>
<b>Total Reserves</b>			<b>15.57</b>	<b>1.17</b>	<b>1.09</b>	<b>0.31</b>	<b>12.82</b>	<b>0.13</b>



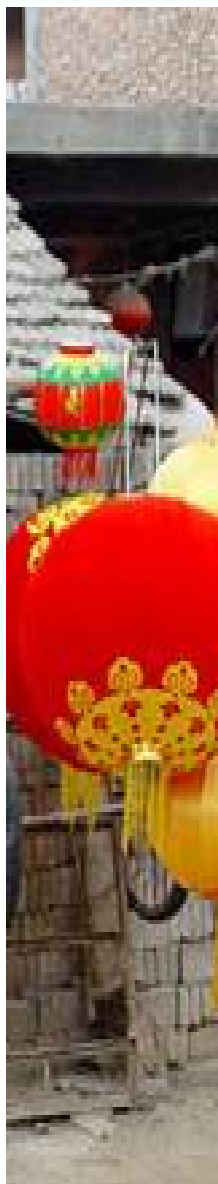




# Dapingzhang Mine – Mineral Resources

## Mineral Resource Statement as at March 2007

Deposit	Ore Type	Indicated Resources						Inferred Resources					
		Tones (Mt)	Cooper (% Cu)	Zinc (%Zn)	Gold (Au g/t)	Silver (Ag g/t)	lead (% Pb)	Tones (Mt)	Cooper (% Cu)	Zinc (%Zn)	Gold (Au g/t)	Silver (Ag g/t)	lead (% Pb)
Dapingzhang Pit	Massive	10.2	1.76	1.50	0.53	18.94	0.16	1.0	1.25	1.44	0.45	19.10	0.34
	Disseminated	28.1	0.40	0.05	0.09	3.29	0.01	4.9	0.36	0.07	0.11	2.91	0.01
<b>Dapingzhang Pit Total</b>		<b>38.31</b>	<b>0.76</b>	<b>0.44</b>	<b>0.21</b>	<b>7.45</b>	<b>0.05</b>	<b>5.91</b>	<b>0.50</b>	<b>0.29</b>	<b>0.17</b>	<b>5.57</b>	<b>0.7</b>
Dawaz Pit	Massive	0.67	0.58	6.25	0.25	40.56	1.10	0.1	0.30	5.16	0.16	29.98	0.57
	Disseminated	0	0	0	0	0	0	0	0	0	0	0	0
<b>Dawaz Pit Total</b>		<b>0.67</b>	<b>0.58</b>	<b>6.25</b>	<b>0.25</b>	<b>40.56</b>	<b>1.10</b>	<b>0.1</b>	<b>0.30</b>	<b>5.16</b>	<b>0.16</b>	<b>29.98</b>	<b>0.57</b>
<b>Total Resources</b>		<b>38.98</b>	<b>0.76</b>	<b>0.54</b>	<b>0.21</b>	<b>8.02</b>	<b>0.07</b>	<b>5.97</b>	<b>0.50</b>	<b>0.34</b>	<b>0.17</b>	<b>5.82</b>	<b>0.07</b>





# Dapingzhang Mine – Copper and Zinc Operation in China



	<b>COPPER OPERATION</b>	<b>ZINC OPERATION</b>
<b>Mining:</b>	Open Pit	Open Pit
<b>Processing:</b>	Conventional flotation	Conventional flotation
<b>Product:</b>	Copper concentrate with gold & silver credits	Zinc concentrate
<b>Forecast Metal Sold 2007:</b>	3,500t/a	20,000t/a
<b>Forecast Metal Sold 2008:</b>	10,000t/a	30,000t/a
<b>Cash Costs 2007:</b>	<b>-3.50*</b>	N/A
<b>Cash Costs 2008:</b>	<b>-2.00*</b>	N/A
<b>Resources (Contained):</b>	325,000t	230,000t

\* Cash operating costs net of Zn, Au and Ag

Expansion feasibility study ongoing



# Dapingzhang Mine



- **Life of mine to 2015 but current drilling is showing great potential to extend well beyond 2015**
- **Open cut mining operation**
- **Contract mining**
- **Mining well ahead of schedule – over 140,000 tonnes of Zinc rich (>5%) Dawaz ore on ROM**



# Regent's Land Bank

## REGENT JV's LAND HOLDINGS ARE:

Location / Name	Licence Type	Regent Effective Ownership (%)	Area Km <sup>2</sup>
<b>Dapinghzhong JV</b>	Exploration	40	16.22
	Exploration	40	31.25
	Exploration	40	36.02
	Exploration	40	7.532
	Exploration	40	3.84
	Mining	40	2.751
<b>Sub-total</b>			<b>97.613</b>
<b>Yinzishan JV</b>	Exploration	90.5	36.41
	Exploration	90.5	1.50
	Exploration	90.5	19.23
	Mining	90.5	1.0
<b>Sub-total</b>			<b>58.14</b>
<b>Gold Project</b>	Exploration	40	12.16
	Exploration	40	3.73
	Exploration	40	15.00
	Exploration	40	54.15
	Exploration	40	42.34
	Exploration	40	27.09
<b>Sub-total</b>			<b>154.47</b>
<b>Total</b>			<b>310.223</b>





# Positive Outlook Prevails on Copper and Zinc

## COPPER

### DEMAND

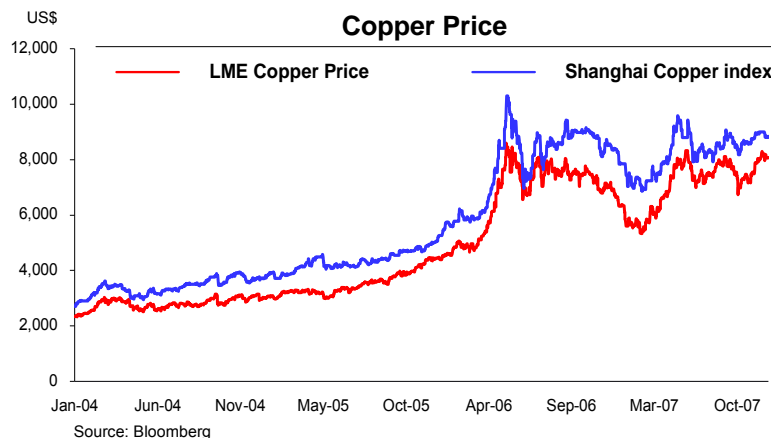
China is the biggest driver – ongoing strong Chinese imports  
European demand remains solid  
US demand stronger than expected  
Global demand above consensus expectations for 2007

### SUPPLY

Multiple challenges and constraints restrict future output  
Challenges: fewer discoveries, declining ore grades, higher costs, higher production losses...  
Supply: few new projects due on stream in the near future, growing delays to new projects...

### PRICE

Positive industry fundamentals and substantial market deficit reduce copper stocks to record lows with prices challenging record highs



## ZINC

### DEMAND

China driven – experiencing strong demand for Zinc Concentrate in China  
World demand strong

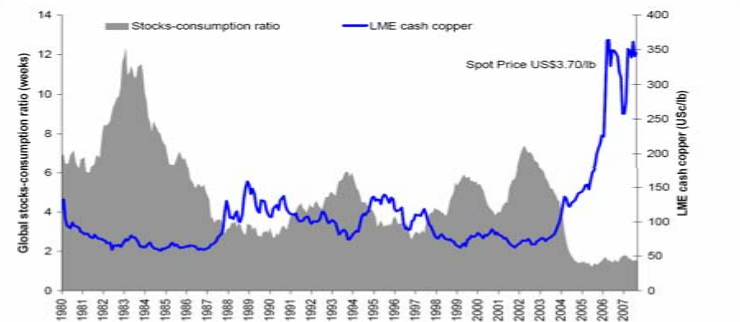
### SUPPLY

Weak concentrate production  
Underinvestment

### PRICE

Expect deficit market in 2007  
Price above US\$1.50 /lb in 2007

## Stocks-Consumption Ratio Back Below 1.5 Weeks



\* Based on total **reported** stocks (producer, consumer, merchant & exchange)  
Source: CRU, Brook Hunt, Morgan Stanley Research



# Dapingzhang JV Company vs. Regent – 2007 Financial Year Results

## Dapingzhang

- Net Profit of US\$10.43M
- Shareholders equity of US\$63.20M
- Cash balance of US\$3.48M
- No hedging of any commodity or currency
- Ore production of 22,541 tonnes
- 4,125 tonnes of contained Copper in Concentrate sold
- Cash cost US\$0.183/lb, including by-product credits

## Regent

- Net Profit of US\$0.58M
- EPS of US\$0.0004 per share
- Shareholders equity of US\$20.09M, 53% increase from March 2006
- Net finance costs of US\$2.61M
- Cash balance of US\$3.94M at 31 March 2007

