



# Regent Pacific Group Limited

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

Stock Code: 0575

16 January 2013

## ANNOUNCEMENT

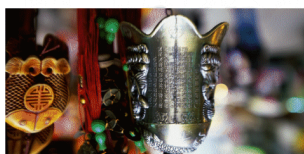
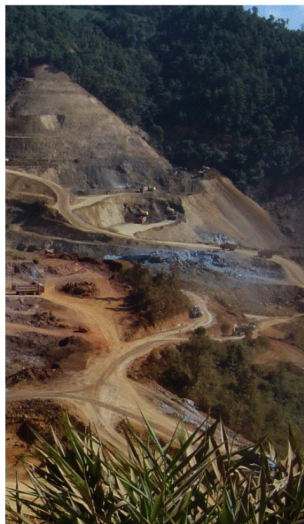
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**PLACING OF THE COMPANY'S ENTIRE HOLDING IN  
BC IRON LIMITED  
UNDER THE DISPOSAL MANDATE  
AND  
FINANCIAL UPDATE  
AND  
NOTICE OF BOARD MEETING FOR CONSIDERING THE  
DECLARATION OF A SPECIAL DIVIDEND**

### SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 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).

Reference is made to the Announcement and the Circular in respect of the Disposal Mandate.





On 16 January 2013 (and after receipt of shareholder approval of the Disposal Mandate at the EGM) the Company entered into a Placing Agreement with the Placing Agent, pursuant to which the Company agreed to sell and the Placing Agent agreed to place the Company's entire holding of 24,002,698 BCI Shares to certain institutional places on an underwritten basis.

The pricing of the Placing was determined pursuant to a bookbuild and the final Placing price was AUD 3.40 (or approximately US\$3.59 or HK\$28.00) per BCI Share.

The Placing will settle and all cash consideration is expected to be received on a T+3 basis or such other date as the Company and Placing Agent may agree in writing.

Immediately prior to executing the Placing Agreement, the Company held 24,002,698 BCI Shares, representing approximately 20.10 per cent. of the issued share capital of BCI, acquired at an average original acquisition cost of AUD 1.75 (or approximately US\$1.85 or HK\$14.43) per BCI Share.

The Placing will provide the Company with gross proceeds (before expenses and taxes) of AUD 81,609,173 (or approximately US\$86,187,448 or HK\$672,262,094).

The Company will generate a net realised gain of approximately AUD 43,051,170 (or approximately US\$45,466,341 or HK\$354,637,460) before expenses and taxes and after receipt from BCI of a special dividend of approximately AUD 3,600,405 (or approximately US\$3,802,388 or HK\$29,658,626), calculated by deducting the total acquisition costs from the total gross Placing proceeds.

The total net realised gain will represent a "cash-on-cash" return of 2.02 times the Company's original cash investment of AUD 42,158,408 (or approximately US\$44,523,495 or HK\$347,283,261), which represents an outstanding result on an overall return.

The agreed Placing price of AUD 3.40 (or approximately US\$3.59 or HK\$28.00) per BCI Share represents a discount of 2.86 per cent. to the last closing price of BCI Shares on ASX.

Subsequent to the Placing, the Company will cease to hold any BCI Shares.



The terms of the Placing were negotiated on an arm's length basis and the Directors (including the independent non-executive Directors) consider that the Placing is in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable having regard to the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and the placees and its/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.

### **TRADING SUSPENSION AND RESUMPTION**

The Shares were, at the Company's request, suspended from trading on the HK Stock Exchange with effect from 1:42 p.m. on 16 January 2013 pending the release of this announcement. The Company has made an application to the HK Stock Exchange for resumption of trading of its Shares with effect from 9:00 a.m. on 17 January 2013.

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 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).

Reference is made to the Announcement and the Circular in respect of the Disposal Mandate. At the EGM, the Shareholders granted to the Board the Disposal Mandate authorising the Board to effect disposal(s) from time to time of the Company's 24,002,698 BCI Shares, being its entire shareholding in BCI.

### **PLACING**

#### **Placing Agreement**

On 16 January 2013 (and after receipt of shareholder approval of the Disposal Mandate at the EGM) the Company entered into a Placing Agreement with the Placing Agent, pursuant to which the Company agreed to sell and the Placing Agent agreed to place the Company's entire holding of 24,002,698 BCI Shares to certain institutional placees on an underwritten basis. The pricing of the Placing was determined pursuant to a bookbuild and the final Placing price was AUD 3.40 (or approximately US\$3.59 or HK\$28.00) per BCI Share.



Further details of the Placing Agreement are set out below.

(a) **Date**

16 January 2013

(b) **Parties**

The Company and the Placing Agent

(c) **Interests to be disposed of**

24,002,698 BCI Shares, being the Company's entire holding in BCI and representing 20.10 per cent. of BCI's existing issued share capital

(d) **Consideration**

A gross amount of AUD 3.40 (or approximately US\$3.59 or HK\$28.00) per BCI Share or an aggregate gross amount of AUD 81,609,173 (or approximately US\$86,187,448 or HK\$672,262,094), in cash

(e) **Unconditional**

The Placing was conducted on an unconditional and fully underwritten basis.

(f) **Closing**

The Placing will settle and the Company expects that all cash consideration will be received on a T+3 basis or such other date as the Company and Placing Agent may agree in writing.

Immediately prior to executing the Placing Agreement, the Company held 24,002,698 BCI Shares, representing approximately 20.10 per cent. of the issued share capital of BCI, acquired at an average original acquisition cost of AUD 1.75 (or approximately US\$1.85 or HK\$14.43) per BCI Share.

Subsequent to the Placing, the Company will cease to hold any BCI Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and the placees and its/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.

### **Basis of Total Consideration**

The Placing price is AUD 3.40 (or approximately US\$3.59 or HK\$28.00) per BCI Share (before expenses and taxes) and represents:

- (i) A discount of 2.86 per cent. to the last traded price of BCI Shares on ASX on 16 January 2013;
- (ii) A discount of 4.76 per cent. to the average closing price of BCI Shares on ASX on the 5 trading days immediately preceding the date of the Placing Agreement;
- (iii) A premium of 1.80 per cent. to the 30 day volume-weighted average price on ASX of BCI Shares; and
- (iv) A premium of 9.32 per cent. to the 60 day volume-weighted average price on ASX of BCI Shares.

The Placing will provide the Company with gross proceeds (before expenses and taxes) of AUD 81,609,173 (or approximately US\$86,187,448 or HK\$672,262,094).

The Placing price was determined on the basis of normal commercial terms and arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of BCI Shares on ASX.

Accordingly, the Directors (including the independent non-executive Directors) consider that the Placing price and the terms of the Placing Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable having regard to the interests of the Company and the Shareholders as a whole.

### **Use of Proceeds**

It is the intention of the Company, consistent with its stated business strategy, to use the proceeds of the Placing, together with the existing cash and liquid cash reserves of the Group to acquire: (i) strategic, controlling and operational interests in resource companies and assets; and (ii) listed securities of resource companies, in order to enhance Shareholders' value.

The Company's stated strategy is to become Hong Kong's next major mid-tier mining house focused on bulk commodities, base metals and gold in the Asia-Pacific region. As a Hong Kong listed mining company, the Company aims to serve as a platform for growth and a cultivator of high quality, accretive mining assets across Asia-Pacific.



## Financial Effects of the Placing on the Group

The Company will generate a net realised gain of approximately AUD 43,051,170 (or approximately US\$45,466,341 or HK\$354,637,460) before expenses and taxes and after receipt from BCI of a special dividend of approximately AUD 3,600,405 (or approximately US\$3,802,388 or HK\$29,658,626), calculated by deducting the total acquisition costs from the total gross Placing proceeds.

The Placing will represent a “cash-on-cash” return of 2.02 times the Company’s original cash investment of AUD 42,158,408 (or approximately US\$44,523,495 or HK\$347,283,261) based on an average original acquisition cost of AUD 1.75 per BCI Share (or approximately US\$1.85 or HK\$14.43).

The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing and Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and has been entered into on normal commercial terms and on an arm’s length basis.

Upon closing of the Placing, the Company’s cash and listed equities before expenses and taxes on the disposal of BCI as at 15 January 2013 is expected to be approximately US\$130.01 million (or approximately HK\$1,014.08 million). The Company will continue to apply a disciplined approach to employing capital and focus on the many significant and varied growth opportunities across various natural resources.

## General

At the request of the Company, trading in the Shares has been suspended on the HK Stock Exchange from 1:42 p.m. on 16 January 2013 pending the release of this announcement. An application has been made to the HK Stock Exchange for resumption of trading in the Shares on the HK Stock Exchange with effect from 9:00 a.m. on 17 January 2013.

## FINANCIAL UPDATE

The Directors wish to inform the Shareholders and potential investors that based on an initial assessment of financially available information they expect that the Group may record a slight improvement in its results for the year ended 31 December 2012, as compared with the corresponding loss of US\$48.53 million for the year ended in 2011. However, it is still expected that the Group will record a loss attributable to the equity holders of the Company for this year in line with the loss of US\$32.87 million that was previously published in respect of the six months ended 30 June 2012.





The principal reason for the expected loss for the year ended 31 December 2012 is the realised loss on Avion Gold Corporation and the anticipated impairment in relation to the Group's investment in Project 1 (owned and operated through West China Coking & Gas Company Limited) and Trinity Exploration and Production Limited, all of which are non-cash items.

The start to the current financial year has seen encouraging signs in the global financial markets, both in terms of value and liquidity. In respect of the year to date, the Company's equity portfolio has recovered some of its 2012 losses.

The total unrealised and realised gains in respect of the Company's listed equity portfolio, before the disposal of BCI, is US\$3.85 million (or approximately HK\$30.03 million), in respect of the year to date on 15 January 2013.

The Company continues to be debt free with over US\$133.56 million (or approximately HK\$1,047.77 million) in cash and listed securities (before the disposal of BCI) as at 15 January 2013. Consequently, the Company is carefully analysing global equity markets for potential acquisition opportunities, where mining related equities have been, in the Company's opinion, oversold when viewed against the strength of its underlying commodity(ies).

The Company will continue to update investors and Shareholders accordingly.

Shareholders and potential investors are reminded that the Company does regularly disclose and update its more significant investments and equity portfolio positions on its web site [www.regentpac.com](http://www.regentpac.com), the performance of which can be tracked against the relevant exchanges on which such investments are quoted (with such relevant exchanges, together with the stock codes and relevant company web sites also disclosed for ease of reference).

The information contained in this announcement should only be treated as a preliminary assessment made by the Board based on the available financial information, and is not based on any figures or information that has been audited or reviewed by the auditors of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2012 which will be published in due course.



## **NOTICE OF BOARD MEETING TO CONSIDER THE DECLARATION OF A SPECIAL DIVIDEND**

The Directors are pleased to announce that a meeting of the Board has been scheduled to be held on Monday, 28 January 2013 at 7:00 p.m. (Hong Kong time) for the purpose of, among other matters, considering and, if appropriate, approving the declaration of a special dividend.

Details of the special dividend are yet to be finalised. The Company will make further announcement(s) in this regard as and when appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

### **DEFINITIONS**

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

<b>“Announcement”</b>	the announcement of the Company dated 18 December 2012 in respect of the Disposal Mandate
<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“ASX”</b>	ASX Limited ACN 008 624 691
<b>“AUD”</b>	Australian dollars, the lawful currency in Australia
<b>“BCI”</b>	BC Iron Limited (ACN 120 646 924), a limited liability company incorporated in Australia, whose securities are listed on the ASX
<b>“BCI Share(s)”</b>	the fully paid ordinary shares in the capital of BCI
<b>“Board”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day which is not a Saturday, Sunday or a public holiday in Hong Kong or Perth, Western Australia
<b>“Circular”</b>	the Shareholders’ circular of the Company dated 24 December 2012 in respect of the Disposal Mandate





<b>“Company”</b>	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 OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“connected person(s)”</b>	shall have the meaning defined in Chapter 14A of the HK Listing Rules
<b>“Director(s)”</b>	the directors of the Company
<b>“Disposal Mandate”</b>	the specific mandate granted by Shareholders at the EGM to the Directors to effect disposal(s) from time to time of such number of BCI Shares (subject to a maximum of 24,002,698 BCI Shares held by the Company) which, when aggregated with any disposal of BCI Shares by the Company in the preceding 12 month period, may amount to a very substantial disposal of the Company under Chapter 14 of the HK Listing Rules
<b>“EGM”</b>	the extraordinary general meeting of the Company held on 16 January 2013 at which Shareholders considered and approved the Disposal Mandate, further details of which were set out in the Circular
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK Listing Rules”</b>	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
<b>“HK Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency in Hong Kong
<b>“Placing”</b>	the placing of 24,002,698 BCI Shares held by the Company, being its entire shareholding in BCI, pursuant to the terms of the Placing Agreement
<b>“Placing Agent”</b>	Macquarie Capital Securities Limited



<b>“Placing Agreement”</b>	the placing agreement dated 16 January 2013 made between the Company and the Placing Agent in relation to the placing of 24,002,698 BCI Shares held by the Company, being its entire shareholding in BCI, to certain places on an underwritten basis
<b>“Shareholder(s)”</b>	the holders of the Shares
<b>“Share(s)”</b>	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 OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“US\$”</b>	United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, (i) amounts dominated in AUD have been translated, for the purpose of illustration only, into US\$ using the exchange rate of AUD 1.00 = US\$1.0561; and (ii) 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, 16 January 2013