



# Regent Pacific Group Limited

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

Stock Code: 0575

15 October 2013

## ANNOUNCEMENT

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### DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF NEW SHARES IN PLETHORA SOLUTIONS HOLDINGS PLC

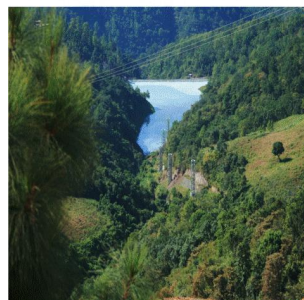
#### SUMMARY

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

The Company announces that on 14 October 2013 (not being a trading day in Hong Kong), it executed the Subscription Agreement with Plethora, pursuant to which it has agreed to subscribe, at GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share in cash, for up to 20,000,000 new Plethora Shares under the Placing, for an aggregate consideration of GBP 1,800,000 (or approximately US\$2,878,920 or HK\$22,455,576).

It is expected that the Placing will complete, with the trading of the relevant new Plethora Shares on AIM to commence, on or around 1 November 2013.

Prior to the Subscription, the Company held 37,500,000 Plethora Shares, representing approximately 10.82 per cent of the existing issued share capital of Plethora.





Further, it is noted that: (i) James Mellon (the Company's Non-Executive Co-Chairman of the Board), being the non-executive chairman of the board of Plethora, currently, together with his associates, holds 59,012,808 Plethora Shares, representing approximately 17.03 per cent of the existing issued share capital of Plethora; and (ii) Mark Searle (the Company's Independent Non-Executive Director) currently, together with his associates, holds 1,700,000 Plethora Shares, representing approximately 0.49 per cent of the existing issued share capital of Plethora. Both James Mellon and Mark Searle and their respective associates will not participate in the Placing.

Following the Subscription and assuming that the Placing will be fully subscribed for (and before considering the conversion of any outstanding loans or other convertibles as referred to in the paragraph headed "Convertibles of Plethora" below and the exercise of any outstanding share options over Plethora Shares), the Company will hold 57,500,000 Plethora Shares, representing approximately 14.54 per cent of the enlarged issued share capital of Plethora. James Mellon and Mark Searle, together with their respective associates, who will not participate in the Placing, will hold approximately 14.92 per cent and 0.43 per cent of the enlarged issued share capital of Plethora respectively.

The Subscription of up to 20,000,000 new Plethora Shares under the Placing, either in isolation or when viewed in aggregate with the Company's subscription of 33,500,000 Plethora Shares during the last 12 months, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

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

### **Subscription of new shares in Plethora**

The Company announces that on 14 October 2013 (not being a trading day in Hong Kong), it executed the Subscription Agreement with Plethora, pursuant to which it has agreed to subscribe, at GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share in cash, for up to 20,000,000 new Plethora Shares under the Placing, for an aggregate consideration of GBP 1,800,000 (or approximately US\$2,878,920 or HK\$22,455,576).

It is expected that the Placing will complete, with the trading of the relevant new Plethora Shares on AIM to commence, on or around 1 November 2013.

The new Plethora Shares to be issued under the Placing shall be credited as fully paid up and shall rank pari passu with the existing Plethora Shares in issue, including the right to receive



any dividends and other distributions declared following their admission to AIM. The terms of the Subscription do not impose any restriction to the subsequent sale of any of the Company's newly subscribed Plethora Shares on AIM.

Prior to the Subscription, the Company held 37,500,000 Plethora Shares, being: (i) 4,000,000 Plethora Shares subscribed for in October 2011 at GBP 0.025 (or approximately US\$0.040 or HK\$0.312) per Plethora Share; and (ii) 33,500,000 Plethora Shares subscribed for in April 2013 at GBP 0.02 (or approximately US\$0.032 or HK\$0.250) per Plethora Share, both by way of participation of the previous placings of Plethora, for an aggregate amount of cash consideration of GBP 770,000 (or approximately US\$1,231,538 or HK\$9,605,996), representing approximately 10.82 per cent of the existing issued share capital of Plethora.

Further, it is noted that:

- James Mellon (the Company's Non-Executive Co-Chairman of the Board), being the non-executive chairman of the board of Plethora, currently, together with his associates, holds 59,012,808 Plethora Shares, representing approximately 17.03 per cent of the existing issued share capital of Plethora; and
- Mark Searle (the Company's Independent Non-Executive Director) currently, together with his associates, holds 1,700,000 Plethora Shares, representing approximately 0.49 per cent of the existing issued share capital of Plethora.

Both James Mellon and Mark Searle and their respective associates will not participate in the Placing.

Following the Subscription and assuming that the Placing will be fully subscribed for (and before considering the conversion of any outstanding loans or other convertibles as referred to in the paragraph headed "Convertibles of Plethora" below and the exercise of any outstanding share options over Plethora Shares):

- the Company will hold 57,500,000 Plethora Shares, representing approximately 14.54 per cent of the enlarged issued share capital of Plethora;
- James Mellon will, together with his associates, continue to hold 59,012,808 Plethora Shares, representing approximately 14.92 per cent of the enlarged issued share capital of Plethora; and
- Mark Searle will, together with his associates, continue to hold 1,700,000 Plethora Shares, representing approximately 0.43 per cent of the enlarged issued share capital of Plethora.



The Subscription of up to 20,000,000 new Plethora Shares under the Placing, either in isolation or when viewed in aggregate with the Company's subscription of 33,500,000 Plethora Shares during the last 12 months, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

## Conditions

The Placing is conditional, inter alia, upon:

- the Placing Agreement having been entered into and becoming wholly unconditional and not having been terminated in accordance with its terms before admission to trading on AIM of the Plethora Shares to be placed;
- the passing (without amendment) of the resolutions to be proposed at a general meeting of Plethora on 31 October 2013 (or such later time as may be agreed); and
- the admission to trading on AIM of the Plethora Shares to be placed occurring by not later than 8:00 a.m. on 1 November 2013 or by such later time and/or date as Daniel Stewart & Company Plc (one of Plethora's joint brokers for the Placing) and Plethora may agree but in any event not later than 8:00 a.m. on 16 November 2013.

## Convertibles of Plethora

As detailed in the latest published interim report for the six months ended 30 June 2013 of Plethora, as at 30 June 2013, Plethora had:

- (i) outstanding convertible loan notes of the aggregate principal amount of GBP 800,000 (or approximately US\$1,279,520 or HK\$9,980,256) due on 31 December 2014 held by independent third parties, with the interest rate (as revised) prevailing at 14 per cent, which, together with their accrued interest (if calculated as at 30 June 2013), are convertible into 41,871,785 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.032 or HK\$0.250) per Plethora Share;
- (ii) a loan of the principal amount of GBP 1,000,000 (or approximately US\$1,599,400 or HK\$12,475,320) owed to an independent investment fund, which is repayable on 31 March 2015 carrying a redemption premium of 25 per cent with the interest rate (as revised) prevailing at 14 per cent and is, together with their accrued interest (if calculated as at 30 June 2013), convertible into up to 64,839,716 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.032 or HK\$0.250) per Plethora Share at the option of the lender;



- (iii) a warrant attached to the loan referred to in (ii) above, entitling the holder to subscribe, at the nominal value of GBP 0.01 (or approximately US\$0.016 or HK\$0.125) per Plethora Share, for up to 3 per cent of Plethora's fully diluted share capital (which would be 19,641,261 new Plethora Shares if calculated as at 30 June 2013), which is exercisable at any time at the discretion of the lender on or before 31 March 2023;
- (iv) a loan of the principal amount of GBP 850,000 (or approximately US\$1,359,490 or HK\$10,604,022) owed to a company wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary, which is repayable on 31 March 2015 carrying a redemption premium of 25 per cent with the interest rate (as revised) prevailing at 14 per cent and is, together with their accrued interest (if calculated as at 30 June 2013), convertible into up to 55,113,767 new Plethora Shares at a price of GBP 0.02 (or approximately US\$0.032 or HK\$0.250) per Plethora Share at the option of the lender;
- (v) a warrant attached to the loan referred to in (iv) above, entitling the holder to subscribe, at the price of GBP 0.0125 (or approximately US\$0.020 or HK\$0.156) per Plethora Share, for up to 5 per cent of Plethora's fully diluted share capital (which would be 32,735,435 new Plethora Shares if calculated as at 30 June 2013), which is exercisable at any time at the discretion of the lender on or before 31 March 2023; and
- (vi) two bridge loans of the principal amounts of GBP 350,000 (or approximately US\$559,790 or HK\$4,366,362) and GBP 200,000 (or approximately US\$319,880 or HK\$2,495,064) respectively owed to James Mellon, which are repayable on 31 March 2015 carrying redemption premiums of 70 per cent and 33 per cent respectively with the interest rate (as revised) prevailing at 10 per cent and are, together with their accrued interest (if calculated as at 30 June 2013), convertible into up to 31,209,932 new Plethora Shares and 13,634,247 new Plethora Shares respectively, each at a price of GBP 0.02 (or approximately US\$0.032 or HK\$0.250) per Plethora Share at the option of James Mellon.

It is also noted that as at 30 June 2013, there were outstanding directors' fees in the amount of GBP 5,535.71 (or approximately US\$8,853.81 or HK\$69,059.72) and GBP 22,797.62 (or approximately US\$36,462.51 or HK\$284,407.58) owed to James Mellon and Bill Robinson respectively, which, as agreed, are convertible into new Plethora Shares at the prevailing market price. On the basis of the closing price of GBP 0.12125 of Plethora Shares on AIM on 14 October 2013, the outstanding fees are convertible into 45,655 new Plethora Shares and 188,022 new Plethora Shares respectively.

As noted above, James Mellon and Mark Searle currently, together with their associates, hold 59,012,808 Plethora Shares and 1,700,000 Plethora Shares, representing approximately 17.03 per cent and 0.49 per cent of the existing issued share capital of Plethora respectively, and both



James Mellon and Mark Searle and their respective associates will not participate in the Placing.

Assuming all the above-referenced convertible loan notes and loans, together with their accrued interest (if calculated as at 30 June 2013), and warrants and outstanding directors' fees were converted into new Plethora Shares and before considering any exercise of outstanding share options over Plethora Shares (which are currently out of money):

- the Company will hold 57,500,000 Plethora Shares, representing approximately 8.78 per cent of the enlarged issued share capital of Plethora on a fully diluted basis;
- James Mellon, together with his associates, will hold 191,751,843 Plethora Shares, representing approximately 29.29 per cent of the enlarged issued share capital of Plethora on a fully diluted basis; and
- Mark Searle, who does not hold any interests in the above convertibles, will, together with his associates, continue to hold 1,700,000 Plethora Shares, representing approximately 0.26 per cent of the enlarged issued share capital of Plethora on a fully diluted basis.

### **Basis of consideration**

The consideration payable in respect of the Subscription of up to 20,000,000 new Plethora Shares has been determined on normal commercial terms and negotiated on an arm's length basis between the relevant parties, by reference to the prevailing market price of Plethora Shares on AIM, with the subscription price of GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share, in respect of each of the new Plethora Shares subscribed for by the Company under the Subscription, representing a discount of 17.24 per cent to the closing price of GBP 0.10875 of Plethora Shares on AIM on 11 October 2013, its last day trading prior to the date of the Subscription.

The Directors consider the Subscription 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 Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of the Company's projected interests in Plethora, the Company's attributable share (being 14.54 per cent upon completion of the Subscription, but before taking into account the conversion of the various loans or exercise of any outstanding share options over Plethora Shares) of Plethora's: (i) net loss for the financial year ended 31 December 2012 from continued operations is GBP 562,989 (or approximately US\$900,445 or HK\$7,023,471); and (ii) net loss for the financial year ended 31 December 2011 from continued operations is GBP 706,353 (or approximately US\$1,129,741 or HK\$8,811,980), both before and after taxation.



The net asset value of Plethora was negative GBP 3,744,000 (or approximately negative US\$5,988,154 or negative HK\$46,707,601) as at 30 June 2013, as set out in Plethora's last published interim report for the period ended 30 June 2013.

## **Background on Plethora**

Plethora (AIM: PLE) is a specialty pharmaceutical company focussed on the treatment and management of urological disorders. The diagnosis and treatment of urological conditions represents an expanding market with many poorly met medical conditions that offer significant commercial potential for new pharmaceutical products and medical devices.

Plethora's lead product PSD502, for which it has global regulatory and commercial development rights, is a treatment for premature ejaculation (PE). PE is probably the most common form of sexual dysfunction in men, greater than even erectile dysfunction. Epidemiological studies conducted in the United States and Europe indicate that between 20-30% of men of all ages suffer from premature ejaculation. Based on an assumption of 1-in-4 men with the condition, the potential patient group could be in excess of 24 million in the United States alone. Consequently, Plethora believes that, even based on achieving modest market share, the United States market alone could be worth several hundreds of million of dollars per annum.. There is currently no globally approved and effective pharmaceutical treatment for this condition.

On the 20 September 2013, PSD502 received a positive opinion from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP), recommending European Commission (EC) approval (known in the Marketing Authorisation Application as "Lidocaine Prilocaine Plethora"). A CHMP positive opinion is one of the final steps before Marketing Authorisation is granted by the European Commission, which Plethora anticipates will occur by the end of this year. Plethora will now proceed the registration of PSD502 in the United States.

More information is available at <http://www.plethorasolutions.co.uk/>.

## **Reasons for the subscription of new Plethora Shares**

The Company understands that there is a significant unmet clinical need for urological and sexual dysfunction therapeutics globally and that this market in the United States alone could be worth several hundreds of million of dollars per annum.

Plethora has demonstrated its ability to navigate the complex clinical and regulatory environment in the European Union demonstrated by the positive opinion from the EMA. It is expected this success will be replicated in the US and Plethora has commenced the process for



filing a New Drug Application (NDA) with the Food and Drug Administration (FDA). The estimated time line for the filing of the NDA for PSD502 is in H1 2014. If successful this would be approved in H1 2015 to permit a US launch in H2 2015. The US approval would double the addressable PE market over the EU approval.

In parallel with the US NDA filing, Plethora is pursuing commercial partners for the distribution and sale of PSD502 not only throughout the EU but in the US and other territories. Plethora has stated that it is in talks with a number of potential licensing partners. It is considered likely that these deals could lead to significant upfront payments, commercial milestones and/or royalties in relation to PSD502.

The Directors consider the Subscription 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 Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Source of funds**

The cash consideration to be paid in respect of the Subscription will be funded from the working capital of the Company.

### **Discloseable transaction**

In view of the fact that the aggregate amount of cash consideration to be paid for the Subscription of up to 20,000,000 new Plethora Shares under the Placing (being GBP 1,800,000 or approximately US\$2,878,920 or HK\$22,455,576), either in isolation or when viewed in aggregate with the Company's subscription of Plethora Shares during the last 12 months (being 33,500,000 Plethora Shares for a cash consideration of GBP 670,000 or approximately US\$1,071,598 or HK\$8,358,464), exceeds 5 per cent but is less than 25 per cent of the Company's market capitalisation, such Subscription, either in isolation or when aggregated with the Company's previous acquisition of Plethora Shares in the last 12 months, constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the Company's Subscription of new Plethora Shares under the Placing in accordance with the HK Listing Rules.

### **Not a connected transaction**

As noted above, James Mellon (Non-Executive Co-Chairman of the Board of the Company) is the non-executive chairman of the board of Plethora (currently one of five directors), holding (himself and through his associate) approximately 17.03 per cent of its existing issued share





capital, and Mark Searle (an Independent Non-Executive Director of the Company) currently, together with his associates, holds approximately 0.49 per cent of the existing issued share capital of Plethora.

Notwithstanding the above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each counterparty to the Subscription and 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.

### **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 OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused, primarily, on the Asian region. Its principal assets and investments are located in Yunnan Province, China as well as the Pilbara region of Western Australia where the Company has strategic interests in Venturex Resources Limited (33.47%). The Company also has passive interests in a number of other mining companies.

### **Definitions**

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

<b>“AIM”</b>	the Alternative Investment Market of the London Stock Exchange
<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“Board”</b>	the board of directors of the Company
<b>“China”</b>	Peoples' Republic of China
<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>“GBP”</b>	Great British Pounds, the lawful currency in the United Kingdom
<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 by Plethora of up to 49,000,000 new Plethora Shares, at GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share in cash, to various places to raise up to GBP 4,410,000 (or approximately US\$7,053,354 or HK\$55,016,161) (as announced by Plethora on 15 October 2013)
<b>“Placing Agreement”</b>	the placing agreement to be entered into by Plethora with Daniel Stewart & Company Plc and Hybridan LLP (being the Company’s joint brokers), under which the brokers will arrange and facilitate the placing of 26,667,000 new Plethora Shares, at GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share in cash, to various places to raise up to GBP 2,400,000 (or approximately US\$3,838,560 or HK\$29,940,768) (which excludes the 22,333,000 new Plethora Shares to be subscribed for by Plethora’s directors and persons connected with them (including the 20,000,000 Plethora Shares to be subscribed for by the Company))
<b>“Plethora”</b>	Plethora Solutions Holdings plc, a public listed company incorporated and domiciled in the United Kingdom, whose shares are listed on AIM (AIM: PLE)
<b>“Plethora Share(s)”</b>	the ordinary shares of GBP 0.01 each in the capital of Plethora



<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>“Subscription”</b>	the subscription by the Company, at GBP 0.09 (or approximately US\$0.144 or HK\$1.123) per Plethora Share in cash, of up to 20,000,000 new Plethora Shares, pursuant to the Placing, for an aggregate consideration of up to GBP 1,800,000 (or approximately US\$2,878,920 or HK\$22,455,576)
<b>“Subscription Agreement”</b>	the subscription agreement entered into between the Company and Plethora on 14 October 2013 regarding the Subscription
<b>“US\$”</b>	United States dollars, the lawful currency of the United States

Note: Unless otherwise specified herein, (i) amounts dominated in GBP have been translated, for the purpose of illustration only, into US\$ using the exchange rate of GBP 1.00 = US\$1.5994; 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*)<sup>\*</sup>

Stephen Dattels (*Co-Chairman*)<sup>\*</sup>

Jamie Gibson (*Chief Executive Officer*)

David Comba<sup>#</sup>

Julie Oates<sup>#</sup>

Mark Searle<sup>#</sup>

Jayne Sutcliffe<sup>\*</sup>

<sup>\*</sup> *Non-Executive Directors*

<sup>#</sup> *Independent Non-Executive Directors*

Hong Kong, 15 October 2013