



Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

14 September 2007

ANNOUNCEMENT



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REGENT PACIFIC ANNOUNCES VERY SUBSTANTIAL ACQUISITION OF CCEC LTD



Highlights

- **Regent moves to acquire CCEC Ltd with total consideration of US\$158.71 million (share transaction)**
- **Regent aims to diversify into the coal sector with the proposed acquisition**
- **CCEC's acquisition targets are coal projects at various stages of development in China (high quality, low capital coal operations)**
- **Addition of a strong global exploration and mining team**



(Hong Kong, 14 September, 2007) – Regent Pacific Group Limited (“Regent Pacific” or the “Group”; SEHK: 575) is pleased to announce today that it has signed a definitive agreement to acquire 20.38% of the existing issued share capital of privately held CCEC Ltd. (“CCEC”) and Morgan Stanley, the financial adviser to Regent Pacific, will make an offer on behalf of the Group to acquire the remaining 79.62%. Regent Pacific has so far received irrevocable undertakings to accept the offer in respect of 45.33% of the existing share capital of CCEC. Accordingly, as at the date of this announcement, the Group has secured rights to acquire 65.71% of the





existing share capital of CCEC.

CCEC is an investment holding company which focuses on the acquisition of coal projects at various stages of development in China. Its main acquisition targets are high-quality, low capital coal operations in China's regional coal development centres such as Inner Mongolia, Xinjiang, Yunnan and Shanxi. CCEC is at various stages of negotiation on a number of acquisition targets. CCEC's management team has extensive global exploration and mining experience as well as China deal execution expertise.

As at the date of this announcement, CCEC has entered into several sales and purchase agreements which, upon consummation, shall give CCEC a right to acquire interests (both operational and economic) in certain coal and coal related projects in Yunnan, Inner Mongolia and Xinjiang.

As stated on the Group's website, Regent Pacific is an investment holding company focused on investing in mining assets, principally in China. The Company envisages being Hong Kong's next major mining house: acquisitions such as CCEC are an essential part of its overall strategy for meeting this objective.

The China market is the world's largest consumer of coal and there is a shortage of this form of energy. In view of the continued economic growth and accelerating industrialization and urbanization in China, thermal coal, coking coal and coal related by-products will be in sustained demand in China. The transaction with CCEC provides an opportunity for the Group to strengthen its position in China's coal industry. The retention of the CCEC management team, including Mr. Stephen Dattels and Mr. Steve Bywater, will strengthen the expertise of the Group's management in the mining business and enable the Group to benefit from their knowledge and experience. This will facilitate the Group's development and expansion in the coal industry.

Commenting on the transaction, Mr. Jamie Gibson, CEO of Regent Pacific, said, "We are very excited about this acquisition. It provides Regent Pacific with immediate exposure to cash generative operations in Yunnan, addition of coal resources in Inner Mongolia and Xinjiang, a pipeline of potential projects in the coal industry in China, as well as a very experienced management team from CCEC. We are focussed on becoming Hong Kong's next major mining house."

The consideration for the acquisition and the offer will be paid by way of issuance of consideration shares at an exchange ratio of 5,509.3721 Regent Pacific shares per one CCEC share. Based on the agreed issue price of HK\$1.07 per share, the total consideration shall have a value of approximately HK\$1.24 billion (approximately US\$158.71 million) provided that all remaining CCEC shareholders accept the offer.

The transaction is subject to the approval of Regent Pacific's shareholders and other closing conditions. Morgan Stanley Asia Limited acted as financial advisor to Regent Pacific.

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About CCEC

CCEC is an investment holding company incorporated in the British Virgin Islands on 27 July 2006. It 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 China. CCEC's investment strategy focuses on high-quality, low capital coal operations in each of the three regions designated as regional coal development centers in the 11th Five Year Plan in China. CCEC is currently at various stages of negotiation on a number of acquisition targets.

About Regent Pacific

Regent Pacific is an investment holding company incorporated in the Cayman Islands in 1991. Its principal activities consist of investing in mining and exploration opportunities in China. Regent Pacific envisages being Hong Kong's next major mining house and is actively funding and executing exploration plans with the view of adding to its global resource base. It owns a 40% equity interest in the Dapingzhang Mine in Yunnan Province, China. The Dapingzhang Mine is a world class volcanogenic massive sulphide deposit, a producing mine with recoverable copper, zinc, lead, gold and silver. In addition, Regent Pacific owns a 90.5% equity interest in the Yinzishan Mine, a small-scale shallow underground mine in Yunnan Province, China. For more information about Regent Pacific, visit <http://www.regentpac.com>

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