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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 25% EQUITY INTEREST IN THE TARGET COMPANY

This announcement on the Disposal is made by the Company in compliance with the disclosure requirements under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SALE AND PURCHASE AGREEMENT

On 24 March 2024, the Vendor (as vendor), an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser (as purchaser), an Independent Third Party, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 25% equity interest in the Target Company at the Consideration of RMB 8 million (or approximately US\$1.11 million or HK\$8.63 million) net of any taxes in the PRC, subject to the terms of the Sale and Purchase Agreement. Upon completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

LISTING RULES IMPLICATIONS

While the highest applicable percentage ratio(s) in respect of the Disposal under the Sale and Purchase Agreement exceeds 75%, the Stock Exchange agreed with the Company's view that the assets, revenue and profits ratios for the Disposal produce anomalous results and exercised its discretion under Rule 14.20 of the Listing Rules to (i) accept the Carrying Value ratio; and (ii) disregard the revenue and profits ratios. Therefore, the applicable percentage ratio(s) in respect of the Disposal are more than 5% but less than 25%, and accordingly, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Completion is conditional upon the satisfaction of the Conditions as summarised in the paragraph headed "Conditions and Completion" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) in compliance with the disclosure requirements under Rule 13.09 of The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SALE AND PURCHASE AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 24 March 2024, Amerinvest Coal Industry Holding Company Limited (as vendor) (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (the “**Sale and Purchase Agreement**”) with 曲靖黑金能源有限公司 (unofficial English translation: Qujing Black Gold Energy Co., Ltd.) (as purchaser) (the “**Purchaser**”), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 25% equity interest (the “**Sale Shares**”) in West China Coking & Gas Company Limited (the “**Target Company**”) at the consideration (the “**Consideration**”) of RMB 8 million (or approximately US\$1.11 million or HK\$8.63 million) net of any taxes in the People’s Republic of China (the “**PRC**”), subject to the terms of the Sale and Purchase Agreement (the “**Disposal**”).

Principal terms of the Sale and Purchase Agreement are summarised below:

Date: 24 March 2024

Parties: (1) the Vendor; and
(2) the Purchaser

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and its connected person(s) for the purpose of the Listing Rules (the “**Independent Third Party**”).

Assets to be disposed of

As at the date of this announcement, the Vendor holds a 25% equity interest in the Target Company. Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 25% equity interest in the Target Company. Upon completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

Consideration and payment terms

The Consideration for the Disposal, pursuant to the Sale and Purchase Agreement, is RMB 8 million (or approximately US\$1.11 million or HK\$8.63 million) net of any taxes in the PRC, which is to be settled in the following manner:

The Purchaser shall pay all of the Consideration to the Vendor’s designated bank account outside the PRC within five (5) days after the date of Completion (as defined below).

Both parties agree that the Vendor shall be entitled to maintain its nominated directors serving on the board of directors of the Target Company and all other existing rights (if any) to participate in the management and operation of the Target Company until its receipt of full amount of the Consideration.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account, inter alia, (i) the historical financial performance and position of the business of the Target Company; (ii) the prospect of the business of the Target Company; (iii) the unaudited net book value of the Target Company as at 31 December 2023 of approximately RMB 68.19 million (or approximately US\$9.43 million or HK\$73.58 million) and unaudited net loss attributable to the Target Company of approximately RMB 35.79 million (or approximately US\$4.95 million or HK\$38.62 million) for the year ended 31 December 2023.

Conditions and Completion

Prior to the entering of the Sale and Purchase Agreement, all remaining shareholders of the Target Company have either waived their rights to pre-emption or are deemed to have waived their rights to pre-emption under the relevant legislation and constitutional documents of the Target Company in relation to the Disposal.

Following the execution of the Sale and Purchase Agreement, completion of the Disposal is conditional upon all necessary corporate, governmental or regulatory approvals of the Disposal (the "**Conditions**") including but not limited to unanimous approval from the shareholders of the Target Company and any relevant PRC governmental or regulatory bodies.

Completion shall take place on the date on which all Conditions are satisfied or waived by the Vendor and the Purchaser (the "**Completion**"). Upon Completion of the Disposal, the Company will cease to hold any equity interest in the Target Company.

INFORMATION ON THE PARTIES

The Target Company

The Target Company is a Sino-foreign cooperative joint venture company incorporated in the PRC whose primary business is the production, processing and sale of coking coal and coal chemicals. As at the date of this announcement, the entire equity interest in the Target Company is held as to 25% by the Vendor. The Group acquired its 25% interest in the Target Company, through acquiring the Vendor for a total amount of approximately US\$24.38 million (or approximately HK\$190.16 million) in 2007. Further details are disclosed in the Company's circular dated 22 November 2007.

The Vendor

The Vendor is Amerinvest Coal Industry Holding Company Limited, which is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Vendor is an indirect wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is 曲靖黑金能源有限公司 (unofficial English translation: Qujing Black Gold Energy Co., Ltd.), a company incorporated in the PRC whose principal business mainly involves engaging in dangerous chemical, selling of coal, importing and exporting of goods and operating wholesale of metals. To the best knowledge of the Company after making reasonable enquiry to the Purchaser, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party. The ultimate beneficial owners of the Purchaser are 孫繼承 (Sun JiCheng) and 李杰 (Li Jie).

The Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The Group is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors.

REASONS AND BENEFITS FOR THE DISPOSAL

As stated in the Company's annual and interim reports for recent years, it has been the Company's stated strategy to monitor, and where appropriate, to dispose of non-core assets and investments in the mining and commodities sector. Following this, the Disposal is in-line with the Company's stated strategy.

A summary of the net losses attributable to the Target Company of the Disposal for the two financial years ended 31 December 2022 and 2023 is set out below:

	As at 31 December 2022 (Audited)*	As at 31 December 2023 (Unaudited)
Net losses before taxation	RMB 25.71 million (or approximately US\$3.56 million or HK\$27.74 million)	RMB 8.95 million (or approximately US\$1.24 million or HK\$9.65 million)
Net losses after taxation	RMB 25.71 million (or approximately US\$3.56 million or HK\$27.74 million)	RMB 8.95 million (or approximately US\$1.24 million or HK\$9.65 million)

*The financial statements were audited in accordance with the Auditing Standards of the PRC for Certified Public Accountants.

Prior to the Disposal, the Company's subsidiary has held its 25% equity interest in the Target Company since 2007 and following a series of impairments, the Company currently attributes nearly no value to the Vendor and its interest in the Target Company. In addition, due to the worsening situation of the property and steel markets in the PRC, the Board understands and predicts that the coking coal market will continue to be depressed as it is relying on the demand from steel manufacturers, which in turn, relies on the construction industry. The Board believes that the Target Company will continue to generate losses until the economic situation improves in the PRC, and in particular in the construction industry.

As the Disposal is carried out after arm's length negotiation and on normal commercial terms, the Board is of the view that the terms of the Sale and Purchase Agreement were fair and reasonable and on normal commercial terms, and the Disposal is in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Group is expected to generate a net realised gain of approximately RMB 8 million (or approximately US\$1.11 million or HK\$8.63 million) for the six months ending 30 June 2024, which is calculated by deducting the carrying value of interest held by the Vendor at the Target Company (the "**Carrying Value**") of approximately US\$1,000 (or approximately HK\$7,800) as at 31 December 2023 from the Consideration of RMB 8 million (or approximately US\$1.11 million or HK\$8.63 million).

The proceeds from the Disposal are currently intended to be used by the Group for general working capital purposes.

LISTING RULES IMPLICATIONS

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Note: Unless otherwise specified herein, the amounts dominated into US\$ have been translated, for the purpose of illustration only, (i) into HK\$ using the exchange rate of US\$1.00 = HK\$7.80; and (ii) into RMB using the exchange rate of US\$1.00 = RMB7.2292.

By Order of the Board
Regent Pacific Group Limited
Jamie Gibson
Executive Director

Hong Kong, 25 March 2024

As at the date of this announcement, the Board comprises six Directors:

Executive Director:

Jamie Gibson (*Chief Executive Officer*)

Non-Executive Directors:

James Mellon (*Chairman*)

Jayne Sutcliffe

Independent Non-Executive Directors:

Mark Searle

Adrian Chan

Ihsan Al Chalabi