



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

11 June 2012



ANNOUNCEMENT

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PROFIT WARNING

SUMMARY

This announcement is made by the Company pursuant to Rule 13.09 of the HK Listing Rules.

Based on the information currently available to the Group, the Directors wish to inform the Shareholders and potential investors that they expect that the Group will record a significant decline in its results for the six months ending 30 June 2012, as compared with the corresponding period in 2011.

The information contained in this announcement is only an initial assessment by the Directors based on financially available information.

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



This announcement is made by Regent Pacific Group Limited (the “**Company**” or “**Regent**” and collectively with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HK Listing Rules**”).

The directors (the “**Directors**” or the “**Board**”) of the Company wish to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on an initial assessment of financially available information they expect that the Group may record a significant decline in its results for the six months ending 30 June 2012, as compared with the corresponding period in 2011. Should there be no strong recovery in the remaining period to 30 June 2012 from the deterioration of the financial performance as experienced by the Group to date, it is expected that the Group will record a significant loss attributable to the equity holders of the Company for the six months ending 30 June 2012, as compared to the loss of US\$1.5 million (or approximately HK\$11.7 million) for the corresponding period in 2011.

The principal reason for the above referenced adverse change is the marked-to-market losses in respect of the Company’s listed equity portfolio of investments, which is a non-cash item.

The start to the current financial year has seen continued volatility across the global financial markets. Despite having reported in the Company’s Annual Report for the year ended 2011 that its listed equity portfolio had recovered some of its 2011 losses, where realized and unrealized gains stood at approximately US\$25.03 million for the two months ended 29 February 2012, in the period to follow global financial and foreign exchange markets have experienced and continue to experience significant levels of volatility that have eradicated the promising start to the year and further eroded the value of the Company’s listed portfolio of investments.

Heightened market volatility has been driven largely from the increased risk of a renewed recession in Europe, not helped by the uncertainty around the political elections in Greece and its desire and ability to remain part of the European Union. Macro economic imbalances stemming from a worsening sovereign debt crisis in Europe, together with retreating economic growth data out of China has, in turn, put further pressure on banks and exacerbated concerns of slowing global economic growth and the demand for commodities. These factors have proven and continue to be a negative for equities and foreign currencies (e.g. the Australian and Canadian dollar) in general and, more specifically, mining resource equities and commodities, as investors are steering away from so called “risk” assets and moving into US treasuries and the US dollar.

In light of the Company’s significant investments in listed securities of companies engaged in the mining sector the Company is continuing to closely monitor the markets and manage its investments as it does in the ordinary discharge of its business.



Three of the Company's larger investments in Venturex Resources Limited (25.11%), BC Iron Limited (23.07%) and Avion Gold Corporation (2.55%) remain strategic passive investments and the Company continues to be optimistic that these investments will deliver value to Shareholders over the coming years based on the fundamentals underpinning the projects of each of these companies. Like all its investments, the Company does closely monitor the performance of these investments and will continue to manage its positions accordingly.

To date, the aggregate value of the Company's existing investment portfolio of listed securities, while fluctuating daily with the equity and foreign exchange markets as they are being marked-to-market, are largely tracking in line with the relevant resources indices, apart from our investment in Avion Gold Corporation which is underperforming the relevant Canadian index primarily due to the military coup in Mali that took place in March 2012.

As at 8 June 2012, the total value of the Company's listed and unlisted equity portfolio is US\$108.77 million (or approximately HK\$848.41 million), down from US\$135.29 million (or approximately HK\$1,055.26 million) as at 31 December 2011, which result reflects additional investments and disposals made, together with marked-to-market and foreign exchange fluctuations during the period.

The total unrealized and realized losses in respect of the Company's listed equity portfolio is US\$27.45 million (or approximately HK\$214.11 million) as at 8 June 2012.

The Company continues to be debt free with over US\$122.05 million (or approximately HK\$951.99 million) in cash, listed and unlisted securities as at 8 June 2012. 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, 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 interim results



announcement of the Company for the six months ending 30 June 2012 which will be published in due course after the end of the period.

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

Note: Unless otherwise specified herein, amounts denominated 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, 11 June 2012