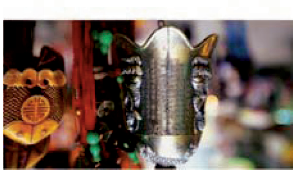
Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

27 March 2013

ANNOUNCEMENT

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AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

PERFORMANCE OVERVIEW

A summary of the financial performance and other notable events for 2012 include:

- Loss attributable to shareholders of the Company of US$44.85 million, which was mainly attributable to (i) the write-downs of our investments in West China Coking & Gas Company Limited ("**West China Coke**"), Trinity Exploration & Production plc ("**Trinity**") and Allegiance Coal Limited ("**Allegiance**") totaling US$16.02 million, (ii) the marked-to-market losses of US$5.98 million in respect of the Company's listed equity portfolio of investments, and (iii) a deferred tax liability of US$7.20 million in relation to the potential capital gain tax

- Shareholders' equity of US$141.23 million or net asset value ("**NAV**") per share of Hong Kong cents 31.40, a decrease of 22.41% as compared at 31 December 2011

- Disposal of the Group's remaining shares in Polo Resources Limited ("**Polo**"), providing the Group with proceeds (before expenses) of approximately US$3.39 million during the year and a loss on disposal of US$1.01 million. However, taken as a whole, the disposal was successful because it provided the Group with an overall investment return of approximately US$5.07 million comprising sales proceeds (before expenses) of approximately US$8.43 million, dividends received of approximately US$6.72 million, net of investment costs of approximately US$10.08 million over the period from the year of 2008 to 2012

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- Successful sale of the Group's interests in the Ji Ri Ga Lang Coal Project ("**JRGL Coal Project**") that closed in January 2012, which generated a realised gain before tax of US$4.41 million

- Increase of the Group's strategic position in BC Iron Limited ("**BCI**") to 23.11% as at June 2012 (which was subsequently diluted to 20.10% following its non-participation in the BCI share placement in December 2012)

- Further increase of our strategic position in Venturex Resources Limited ("**Venturex**") to 31.87%

- Strong financial position with no debt, with over US$135.78 million in cash, listed and unlisted securities

Subsequent to year end, the Group has undertaken the following notable events:

- Disposal of the Group's entire shareholding in BCI in January 2013 for US$84.73 million in cash (total gross proceeds before expenses and taxes), and realising a loss on disposal of US$3.99 million during the period ended 31 January 2013. However, taken as a whole, the disposal was very successful because it provided the Group with an overall investment return of approximately US$44.32 million (before expenses and taxes)

- Announcement of a special dividend of HK$0.13 per share that is payable to shareholders on 15 March 2013 at a total cost of approximately US$58.47 million

- Increase in its stakes in Condor Gold plc ("**Condor**") to 9.45% at a cost of US$8.14 million without exercising its option to further subscribe for additional shares of Condor of GBP 3 million and Trinity to 3.67% at a cost of US$4.04 million (following its merger with Bayfield Energy Holdings plc)

- Appointment of James Mellon to the board of Venturex and following this appointment, the Company expects to equity account its investment going forward whereby the Group's consolidated financial statements will reflect its share (currently 31.87%) of the net profit or loss of Venturex

Going forward, we will continue to closely monitor the markets and manage our investments as we do in the ordinary discharge of our business as well as drive growth by focusing on the enhancement of our core businesses and by continuing to pursue acquisition and investment opportunities.

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**" or "**Regent**" and collectively with its subsidiaries, the "**Group**") are pleased to announce the audited results of the Group for the year ended 31 December 2012, together with comparative figures for the year ended 31 December 2011, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Continuing operations			
Revenue/Turnover:	3		
Corporate investment income		5,890	4,310
Other income		152	359
		6,042	4,669
Fair value loss on financial instruments		(6,927)	(29,284)
Total income		(885)	(24,615)
Expenses:			
Employee benefit expenses	5	(16,786)	(8,018)
Rental and office expenses		(889)	(717)
Information and technology expenses		(267)	(251)
Marketing costs and commissions		(22)	(81)
Professional and consulting fees		(1,021)	(764)
Transaction cost on termination of acquisition of BCI		—	(5,487)
Other operating expenses		(1,025)	(1,521)
Operating loss before impairment loss and provisions		(20,895)	(41,454)
Provision for impairment on loan receivables		—	(4,345)
Impairment loss on goodwill		—	(4,863)
Impairment loss on available-for-sale financial assets	11	(6,686)	—
Impairment loss on interest in an associate	10	(9,338)	—
Operating loss	4	(36,919)	(50,662)
Gain on disposal of the Yinzishan Mining Project	15	—	2,401
Share of results of associates	3	(1,430)	1,705
Loss before income tax		(38,349)	(46,556)
Taxation	6	(10,093)	—
Loss for the year from continuing operations		(48,442)	(46,556)
Discontinued operations			
Loss for the year from discontinued operations	14	—	(3,758)
Gain on disposal of the JRGL Coal Project of US$4,409,000 (note 15), net of tax of US$991,000 (note 6)		3,418	—
		3,418	(3,758)
Loss for the year		(45,024)	(50,314)

	Notes	2012 US$'000	2011 US$'000
Other comprehensive income			
Change in fair value of available-for-sale financial assets	11	(1,471)	—
Impairment on available-for-sale financial assets	11	1,471	—
Reclassified to profit or loss on disposal of available-for-sale financial assets		—	(6,858)
Exchange (loss)/gain on translation of financial statements of foreign operations		(69)	918
Reversal of exchange reserve upon disposal of subsidiaries		(110)	(225)
Share of other comprehensive income of associates		(700)	1,829
Other comprehensive income for the year		(879)	(4,336)
Total comprehensive income for the year		(45,903)	(54,650)
Loss for the year attributable to:			
Shareholders of the Company	7	(44,854)	(48,527)
Non-controlling interests		(170)	(1,787)
		(45,024)	(50,314)
(Loss)/Profit attributable to shareholders of the Company arises from:			
Continuing operations		(48,272)	(46,396)
Discontinued operations		3,418	(2,131)
		(44,854)	(48,527)
Total comprehensive income attributable to:			
Shareholders of the Company		(45,731)	(53,371)
Non-controlling interests		(172)	(1,279)
		(45,903)	(54,650)
Total comprehensive income attributable to shareholders of the Company arises from:			
Continuing operations		(49,149)	(51,732)
Discontinued operations		3,418	(1,639)
		(45,731)	(53,371)
Losses per share from continuing and discontinued operations:	9	US cent	US cent
– Basic and Diluted		(1.41)	(1.31)
Losses per share from continuing operations:	9	US cent	US cent
– Basic and Diluted		(1.52)	(1.26)
Earnings/(Losses) per share from discontinued operations:	9	US cent	US cent
– Basic and Diluted		0.11	(0.05)

Consolidated Statement of Financial Position

As at 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Non-current assets:			
Goodwill		—	—
Exploration and evaluation assets		—	—
Property, plant and equipment		294	296
Interests in associates	10	11,774	24,727
Available-for-sale financial assets	11	5,279	9,287
		17,347	34,310
Current assets:			
Cash and bank balances		11,447	16,412
Financial assets at fair value through profit or loss		119,058	126,026
Loan receivables		—	—
Prepayments, deposits and other receivables		2,441	10,034
Derivative financial instruments		1,571	1,975
Assets classified as held for sale		—	17,728
		134,517	172,175
Current liabilities:			
Trade payables, deposit received, accruals and other payables	12	(3,374)	(5,534)
Dividend payable	8	—	(13,463)
Derivative financial instruments		—	(491)
Liabilities directly associated with assets classified as held for sale		—	(3,649)
		(3,374)	(23,137)
Net current assets		131,143	149,038
Total assets less current liabilities		148,490	183,348

	Notes	2012 US$'000	2011 US$'000
Non-current liabilities			
Deferred tax liabilities	13	(7,197)	—
NET ASSETS		141,293	183,348
Capital and reserves attributable to shareholders of the Company			
Share capital		34,857	34,857
Reserves		106,376	147,167
Equity attributable to shareholders of the Company		141,233	182,024
Non-controlling interests		60	1,324
TOTAL EQUITY		141,293	183,348

Notes:

1. General Information

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is at P. O. Box 309, Ugland House, Grand Cayman, KY 1-1104, Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange.

The consolidated financial statements are presented in United States Dollars ("**US$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**US$'000**") except when otherwise indicated.

The Company is engaged in investment holding, and the principal activities of the Group consist of exploration and mining of natural resources, and corporate investments. The principal places of business of the Group are in Hong Kong and the People's Republic of China.

2. Adoption of Hong Kong Financial Reporting Standard ("HKFRSs")

2.1 Adoption of amendments to HKFRSs – first effective 1 January 2012

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKFRS 12	Deferred Tax – Recovery of Underlying Assets

The adoption of these amendments has no material impact on the Group's financial statements.

2.2 New/Revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

The improvements made amendments to four standards.

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 16 Property, Plant and Equipment

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iv) HKAS 34 Interim Financial Reporting

The amendments clarify that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment need to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

Amendments to HKAS 1 (Revised) - Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Amendments to HKAS 32 - Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

HKFRS 9 - Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 - Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 - Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 - Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

HKAS 19 (2011) - Employee Benefits

HKAS 19 (2011) abandons the corridor approach with the result that changes in defined benefit obligations and the fair value of plan assets are recognised in the period in which they occur. The revised standard requires the changes in the Group's net defined benefit liability (or asset) to be separated into three components: service cost (including current and past service cost and settlements) recognised in profit or loss; net interest on the net defined benefit liability recognised in profit or loss; and re-measurements of the defined benefit liability (or asset) recognised in other comprehensive income. The revised standard distinguishes between short-term and long-term employee benefits based on the expected date of settlement. The previous standard used the term "due to be settled". This change may result in more plans being classified as long-term employee benefit plans that will need to be accounted for in a similar way to defined benefit plans. HKAS 19 (2011) provides additional guidance on the definition of termination benefits. Benefits that are conditional on future service being provided including those that increase if additional service is provided are not termination benefits. The revised standard requires that a liability for termination benefits is recognised on the earlier of the date when the entity can no longer withdraw the offer of those benefits and the date the entity recognises any related restructuring costs. This could lead to later recognition of voluntary termination benefits in some cases. The amendments will generally be applied retrospectively with two exceptions.

The Group is in the process of making an assessment of the potential impact of these pronouncements.

3. Segment Information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Executive Director for his decision about resources allocation to the Group's business components and for his review of the performance of those components. The business components in the internal financial information reported to the Executive Director are determined following the Group's major product and service lines.

The Directors have identified the Group's three product and service lines as operating segments as follows:

Coking Coal	:	Production of coking coal
Metals Mining	:	Exploration and mining of metals resources
Corporate Investment	:	Investment in corporate entities, both listed and unlisted

Coal mining was discontinued during the year ended 31 December 2011 (note 14).

These operating segments are monitored and strategic decisions are made on the basis of segment operating results. There are no sales between the reportable segments.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment
- share of results of associates accounted for using the equity method

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but exclude investments in available-for-sale financial assets and interests in associates.

Segment liabilities exclude deferred tax liabilities and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

Information regarding the Group's reportable segments is set out below:

For the year ended 31 December 2012

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Revenue from external customers	—	—	—	6,042	6,042	6,042
Segment results	—	(9,349)	(1,899)	(25,671)	(36,919)	(36,919)
Share of results of associates	—	(2,984)	—	1,554	(1,430)	(1,430)
Total results	—	(12,333)	(1,899)	(24,117)	(38,349)	(38,349)
Segment result from discontinued operations						—
Consolidated loss before income tax expense from continuing operations						(38,349)

As at 31 December 2012

	Discontinued operations	Continuing operations			
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	—	100	20	134,691	134,811
Available-for-sale financial assets	—	—	—	5,279	5,279
Interests in associates	—	8,040	—	3,734	11,774
Total assets	—	8,140	20	143,704	151,864
Segment liabilities	—	—	—	3,374	3,374
Deferred tax liabilities	—	—	—	7,197	7,197
Total liabilities	—	—	—	10,571	10,571

For the year ended 31 December 2012

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Interest income on bank deposits	—	—	—	99	99	99
Depreciation	—	—	—	(96)	(96)	(96)
Share-based payments	—	—	—	(9,762)	(9,762)	(9,762)
Net losses on financial assets at fair value through profit or loss	—	—	—	(5,983)	(5,983)	(5,983)
Net losses on derivative financial instruments	—	—	—	(944)	(944)	(944)
Impairment on available-for-sale financial assets	—	—	—	(6,686)	(6,686)	(6,686)
Impairment on interest in an associate	—	(9,338)	—	—	(9,338)	(9,338)
Capital expenditure	—	—	—	(108)	(108)	(108)

For the year ended 31 December 2011

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Revenue from external customers	—	—	—	4,669	4,669	4,669
Segment results	(3,758)	(4,970)	(1,623)	(44,069)	(50,662)	(54,420)
Share of profits of associates	—	1,219	—	486	1,705	1,705
Total results	(3,758)	(3,751)	(1,623)	(43,583)	(48,957)	(52,715)
Gain on disposal of the Yinzishan Mining Project						2,401
Segment loss from discontinued operations						3,758
Consolidated loss before income tax expense from continuing operations						(46,556)

As at 31 December 2011

	Discontinued operations	Continuing operations			
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	17,728	7	15	154,721	172,471
Available-for-sale financial assets	—	—	—	9,287	9,287
Interests in associates	—	21,390	—	3,337	24,727
Total assets	17,728	21,397	15	167,345	206,485
Segment liabilities and total liabilities	3,649	—	—	19,488	23,137

For the year ended 31 December 2011

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Interest income on bank deposits	—	—	—	632	632	632
Depreciation	(21)	—	(5)	(73)	(78)	(99)
Share-based payments	—	—	—	(2,265)	(2,265)	(2,265)
Net gains on available-for-sale financial assets	—	—	—	6,412	6,412	6,412
Net losses on financial assets at fair value through profit or loss	—	—	—	(39,774)	(39,774)	(39,774)
Net gains on derivative financial instruments	—	—	—	4,078	4,078	4,078
Provision for impairment on loan receivables	—	—	—	(4,345)	(4,345)	(4,345)
Impairment loss on goodwill	—	(4,863)	—	—	(4,863)	(4,863)
Capital expenditure	(1,779)	—	(32)	(255)	(287)	(2,066)

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
PRC	19	655	8,040	21,397
Hong Kong (domicile)	214	92	291	289
Australia	5,600	249	—	—
United States	34	—	—	—
Europe[1]	175	3,664	3,734	3,337
South East Asia[2]	—	9	3	—
	6,042	4,669	12,068	25,023

1 Europe includes the United Kingdom and Bahamas

2 South East Asia includes Singapore and Indonesia

The geographical location of customers is based on the location of exchange on which the Group's investments are traded. The geographical location of the non-current assets is based on the physical location of the assets.

4. Operating Loss

	Continuing operations		Discontinued operations		Total	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Operating loss is arrived at after charging:						
Auditors' remuneration						
- charge for the year	245	247	—	—	245	247
- under provision in prior year	34	37	—	29	34	66
Depreciation of owned property, plant and equipment	96	78	—	21	96	99
Operating lease charges on property and equipment	783	704	—	—	783	704
Loss on disposal of property, plant and equipment	14	104	—	—	14	104
Provision for impairment on loan receivables	—	4,345	—	—	—	4,345
Provision for legal claims	—	—	—	3,269	—	3,269
Transaction cost on termination of acquisition of BCI^	—	5,487	—	—	—	5,487
Impairment loss on available-for-sale financial assets	6,686	—	—	—	6,686	—
Impairment loss on interest in an associate	9,338	—	—	—	9,338	—
Realised loss on disposal of financial assets at fair value through profit or loss@ (2)	7,881	—	—	—	7,881	—
Unrealised loss on financial assets at fair value through profit or loss@ (2)	—	43,448	—	—	—	43,448
Realised loss on derivative financial instruments@ (3)	540	—	—	—	540	—
Unrealised loss on derivative financial instruments@ (3)	404	—	—	—	404	—
Share-based payments (equity and cash settled)#	9,762	2,265	—	—	9,762	2,265
and crediting:						
Interest income on bank deposits and loan receivables*	99	632	—	—	99	632
Realised gain on disposal of financial assets at fair value through profit or loss@ (2)	—	3,674	—	—	—	3,674
Realised gain on disposal of the JRGL Coal Project (note 15)	—	—	4,409	—	4,409	—
Realised gain on disposal of the Yinzishan Mining Project (note 15)	—	2,401	—	—	—	2,401
Unrealised gain on financial assets at fair value through profit or loss@ (2)	1,898	—	—	—	1,898	—
Realised gain on derivative financial instruments@ (3)	—	2,594	—	—	—	2,594
Unrealised gain on derivative financial instruments@ (3)	—	1,484	—	—	—	1,484
Realised gain on disposal of available-for-sale financial assets@ (1)	—	6,412	—	—	—	6,412
Net foreign exchange gain*	244	554	—	—	244	554
Dividend income from listed equities*	5,472	3,083	—	—	5,472	3,083
Dividend income from unlisted equities*	75	41	—	—	75	41

* Included in revenue

\# Included in share-based payments were (i) cash and equity settled employee share-based payment of Nil and US$9,621,000, respectively (2011: US$677,000 and US$1,552,000, respectively) in relation to share awards granted to Directors and employees, and (ii) equity settled non-employee share-based payment of US$141,000 (2011: US$36,000) in relation to share awards granted to the Group's consultant.

@ These amounts constitute the fair value loss of US$6,927,000 (2011: US$29,284,000) in the consolidated statement of comprehensive income.

^ Amount represented legal and professional fees incurred in relation to the Group's offer to acquire the entire issued capital of BCI, which was terminated in May 2011.

(1) During the year ended 31 December 2012, net gains on available-for-sale financial assets is Nil (2011: gains of US$6,412,000), before impairment loss of US$6,686,000 (2011: Nil).

(2) During the year ended 31 December 2012, net losses on financial assets at fair value through profit or loss amounted to US$5,983,000 (2011: US$39,774,000)

(3) During the year ended 31 December 2012, net losses on derivative financial instruments amounted to US$944,000 (2011: gains of US$4,078,000)

5. Employee Benefit Expenses (Including Directors' Emoluments)

	Continuing operations		Discontinued operations		Total	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Salaries, discretionary bonuses and benefits in kind	7,143	5,768	—	198	7,143	5,966
Pension costs - defined contribution plans	22	21	—	—	22	21
Share awards granted to Directors and employees	9,621	2,229	—	—	9,621	2,229
	16,786	8,018	—	198	16,786	8,216

6. Taxation

The amount of taxation in the consolidated statement of comprehensive income represents:

	Continuing operations		Discontinued operations		Total	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Current tax- overseas						
– tax for the year	2,896	—	991	—	3,887	—
Deferred tax						
– current year (note 13)	7,197	—	—	—	7,197	—
Income tax expense	10,093	—	991	—	11,084	—

No provision for Hong Kong profits tax has been made in these financial statements as all the Group companies which are subject to such tax have sustained losses for taxation purposes for the years ended 31 December 2012 and 2011. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Share of associates' tax credit for the year ended 31 December 2012 of US$64,000 (2011: tax charge of US$74,000) is included in the consolidated statement of comprehensive income as share of profits of associates.

7. Loss Attributable to Shareholders

The loss attributable to shareholders includes a loss of US$44,711,000 (2011: US$37,688,000) which has been dealt with in the financial statements of the Company.

8. Dividends

Dividend payable to shareholders of the Company attributable to the year:

	2012 US$'000	2011 US$'000
Special dividend declared and payable at the end of the reporting period of Nil (2011: HK$0.03 per share)	—	13,463

9. (Losses)/Earnings Per Share

(a) From continuing and discontinued operations

The calculation of basic losses per share is based on the loss attributable to the shareholders for the year of US$44,854,000 (2011: US$48,527,000) and on the weighted average of 3,186,093,738 (2011: 3,692,855,655) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic losses per share of the Group for the years ended 31 December 2012 and 2011. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2012 and 2011.

Subsequent to the year end date and prior to the date of this announcement, no ordinary shares were issued and allotted.

(b) From continuing operations

The calculation of basic losses per share is based on the loss from continuing operations attributable to the shareholders for the year of US$48,272,000 (2011: US$46,396,000) and on the weighted average of 3,186,093,738 (2011: 3,692,855,655) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic losses per share from continuing operations of the Group for the years ended 31 December 2012 and 2011. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2012 and 2011.

(c) From discontinued operations

The calculation of basic earnings/(losses) per share is based on the profit from discontinued operations attributable to the shareholders for the year of US$3,418,000 (2011: loss of US$2,131,000) and on the weighted average of 3,186,093,738 (2011: 3,692,855,655) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic earnings/(losses) per share from discontinued operations of the Group for the years ended 31 December 2012 and 2011. Accordingly, the effect of the share options was not included in the calculation of diluted earnings/(losses) per share for the years ended 31 December 2012 and 2011.

10. Interests in Associates

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Investments - unlisted shares, at cost less impairment	—	—	2,000	2,000
Share of net assets - unlisted	21,112	24,727	—	—
	21,112	24,727	—	—
Impairment	(9,338)	—	—	—
	11,774	24,727	2,000	2,000

Share of associates' tax credit for the year ended 31 December 2012 of US$64,000 (2011: tax charge of US$74,000) is included in the consolidated statement of comprehensive income as share of results of associates.

Particulars of the associates as at 31 December 2012 are as follows:

Name of associate	Country of incorporation	Kind of legal entity	Issued and fully paid share capital held in associate	Percentage of equity interest attributable to the Company		Principal activity
				Direct	Indirect	
Regent Markets Holdings Limited	British Virgin Islands	International Business Company	Ordinary shares of US$9,980	49.9%	—	Online betting
West China Coking & Gas Company Limited	PRC	Sino-foreign Joint Venture Company	Injected capital of RMB79,910,000	—	25%	Production, processing and sale of coal, coke, gas and coal chemicals

During the year ended 31 December 2012, an impairment loss of US$9,338,000 (2011: Nil) has been recognised in the profit or loss for the Group's interests in an associate which is engaged in the coking coal production business as the recoverable amount of the relevant asset is less than the carrying amounts as a result of an assessment of the current market value of assets, with significant increase in costs of production over the appreciation in commodities and thermal coal prices negatively affecting the value of the associate. The recoverable amount of the interests in the associate is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and growth rates, while the prices of the coking coal and its related products are assumed to remain constant during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the coking coal business. The growth rates are based on coking coal production growth forecasts. Changes in the coal prices are based on expectations of the future changes in the market.

The recoverable amount of the interests in the associate is calculated based on cash flow forecasts covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 1%. The rate used to discount the forecast cash flows is 15%.

The following table illustrates the summarised aggregate financial information of the Group's associates extracted from their management accounts.

	2012 US$'000	2011 US$'000
Assets	396,600	378,279
Liabilities	320,477	285,957

	2012 US$'000	2011 US$'000
Revenue	460,279	451,642
(Loss)/Profit after taxation	(8,605)	5,891

The Group has not incurred any contingent liabilities or other commitments relating to its interests in associates.

11. Available-for-sale Financial Assets

	Group		Company	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
At 1 January	9,287	7,025	9,287	19
Additions	2,678	9,268	2,678	9,268
Disposals	—	(7,006)	—	—
Change in fair value – unrealised portion	(1,471)	—	(1,471)	—
Impairment	(5,215)	—	(5,215)	—
At 31 December	5,279	9,287	5,279	9,287

Available-for-sale financial assets include the following:

	Group		Company	
	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Unlisted securities				
Club debenture, at cost	19	19	19	19
Equity security, at cost	4,594	9,268	4,594	9,268
	4,613	9,287	4,613	9,287
Listed security				
Equity security, at fair value	666	—	666	—
	5,279	9,287	5,279	9,287

Available-for-sale financial assets consist of investments in equity securities with no fixed maturity date or coupon rate.

Available-for-sale financial assets included investments in unlisted securities which are measured at cost less impairment as there is no quoted market price in active markets for the investments and the variability in the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. The Group and the Company plan to hold these investments in the foreseeable future.

During the year ended 31 December 2012, a fair value loss of US$1,471,000 has been recognised in the investment revaluation reserve in equity. Due to the significant decline in the fair value of such investments during the year, the same amount of fair value loss recognised in equity has been transferred out of the investment revaluation reserve and recognised in the profit or loss as an impairment loss.

During the year ended 31 December 2012, pursuant to the acceptance of a share swap offer by the Group in relation to its investment in certain unlisted equity securities, the Group determined the value of its investment in such securities to be significantly lower than its cost. As a result, an impairment loss of US$5,215,000 has been recognised in the profit or loss in 2012.

12. Trade Payables, Deposit Received, Accruals and Other Payables

Included in trade payables, deposit received, accruals and other payables are trade payables with the following ageing analysis as at 31 December 2012 and 2011:

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Due within 1 month or on demand	—	2	—	—
More than 6 months	96	97	—	—
	96	99	—	—

13. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows: -

	2012	2011
Group and Company	US$'000	US$'000
At 1 January	—	—
Deferred tax charged to the income statement during the year	7,197	—
At 31 December	7,197	—

The deferred tax charge arises from the potential Australian Capital Gains Tax ("**CGT**") payable on the unrealised gain of the Company's interest in BCI shares at 31 December 2012. The Company subsequently disposed of its interests in BCI on 16 January 2013. On 24 January 2013, the Company received an order from the Federal Court of Australia in relation to a notice of assessment issued by the Australian Taxation Office ("**ATO**") in the amount of A$12,783,976 (approximately US$13,273,602) for CGT , which the ATO considered payable in relation to the realised gain made on the sale of BCI shares. The amount of the potential tax assessed is due and payable on 2 December 2013, and the orders provide that the Company must not remove from Australia or dispose of, deal with or diminish the value of its assets in Australia up to the unencumbered value of the assessed amount.

The Company is taking external professional advice in relation to the orders and the assessment and understands that the ultimate determination of the potential taxation liability will be subject to a valuation of BCI's real property (including mining tenements) and non-real property assets.

In light of the ATO's Notice of Assessment and orders referred to above, the Directors consider it appropriate for the Company to make a provision for CGT as per the ATO's assessment pending a final report and conclusion by the Company's external professional advisors on this matter. The amount of the deferred liability recognised (relating to CGT on appreciation of BCI shares of US$13,273,602) has been reduced by approximately US$6,076,000, which represents the CGT credits available to the Company arising in respect of an unrealised losses of one of the Company's other Australian equity investments as at 31 December 2012. Accordingly, the net deferred tax liability recognised is US$7,197,000.

At 31 December 2012, the Group has unrecognised tax losses of approximately US$27,368,000 (2011: US$24,124,000) to carry forward against future taxable income. However, no deferred tax assets have been recognised as it is uncertain whether sufficient future taxable profits will be available for utilising the accumulated tax losses. The tax losses have no expiry date.

Under the PRC tax law, 5% to 10% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 1 January 2008.

At 31 December 2012 and 2011, the Group has no deferred tax liabilities in respect of the aggregate amount of temporary differences associated with undistributed earnings of its associates. No deferred tax liabilities have been recognised in respect of these differences because the Group's management believes that it is probable that such differences will not be reversed in the foreseeable future.

14 Discontinued Operations

On 21 December 2011, the Company entered into a sale and purchase agreement for the sale of its interests in the entire issued share capital of Regent Coal (BVI) Limited ("**RC(BVI)**") and Abagaqi Changjiang Mining Co. Ltd.("**ACMC**"), which mainly holds the JRGL Coal Project, to the Purchaser for a total consideration of RMB 115,000,000 (or equivalent to approximately US$18,120,000), payable in cash. In the financial statements for the year ended 31 December 2011, the JRGL Coal Project which represents the segment of coal mining, was presented as discontinued operations. The disposal of the JRGL Coal Project was completed on 17 January 2012 with the Group recording a gain on disposal of US$4,409,000.

The revenue and results of the discontinued operations are as follows:

	Notes	2012 US$'000	2011 US$'000
Revenue/Turnover:		—	—
Expenses:			
Employee benefit expenses	5	—	(198)
Information and technology expenses		—	(22)
Professional and consulting fees		—	(46)
Other operating expenses		—	(3,492)
Operating loss	4	—	(3,758)
Loss for the year from discontinued operations		—	(3,758)
Loss for the year from discontinued operations attributable to:			
Shareholders of the Company		—	(2,131)
Non-controlling interests		—	(1,627)
		—	(3,758)

15. Disposal of Subsidiaries

On 17 January 2012, the Group disposed of its entire equity interest in its subsidiaries, RC(BVI) and ACMC, which held the JRGL Coal Project in Inner Mongolia, PRC. This transaction and gain on disposal was recorded in the Group's results for the year ended 31 December 2012.

On 31 March 2011, the Group disposed of its entire equity interest in its subsidiaries, Regent Minerals Limited ("**RMI**") and Simao Regent Minerals Limited ("**SRM**"), which mainly held the Yinzishan Mining Project in Yunnan, PRC. This transaction and gain on disposal was recorded in the Group's results for the year ended 31 December 2011.

The net assets of the disposed subsidiaries at their respective date of disposal were as follows:

	2012 RC(BVI) and ACMC US$'000	2011 RMI and SRM US$'000
Goodwill	7,393	—
Exploration and evaluation assets	9,999	1,297
Property, plant and equipment	9	312
Prepayments and other receivables	185	4
Cash and bank balances	142	—
Accruals	(380)	(7)
Provision for legal claims	(3,269)	—
Non-controlling interests	(1,092)	—
Exchange reserve	(110)	(225)
Net assets disposed of	12,877	1,381
Gain on disposal of subsidiaries	4,409	2,401
Finder fee paid during the period	910	—
Total consideration	18,196	3,782
Satisfied by:		
Deposit received in prior year	3,634	—
Cash received during the year	14,562	3,782
Total cash	18,196	3,782
Net cash inflow arising on disposal:		
Cash consideration	18,196	3,782
Deposit received in prior year	(3,634)	—
Finder fee paid	(910)	—
Cash and bank balances transferred	(142)	—
Cash received during the year	13,510	3,782

CHAIRMAN'S STATEMENT

Regent Pacific is an investment holding company owning investments mainly in the resources sector. Regent is the conduit through which our shareholders, of which we, as managers and Directors are the largest group, benefit from the chosen assets. We own 29.5% of Regent's shares and measure our performance by the cash returned to shareholders through dividends and share buybacks, as well as the performance of the underlying NAV per share. The operating earnings of the Company, which are subject to the volatility of stock markets, are not a good measure of our progress, so we urge shareholders to focus on cash returns, buybacks and NAV in their assessments of Regent. Over the past ten years or so, we have returned significant amounts of money to shareholders in this way, and have also spun off our fund management subsidiary, Charlemagne Capital Limited, which yielded further large returns on its IPO on the London Stock Exchange.

Total returns have been US$186 million in the past ten years, and we are optimistic that by judiciously adding value to our current portfolio of investments, with our dedicated teams of mining specialists, we will be able to deliver superior returns in the future.

In March of this year we made our largest ever cash distribution of US$58.5 million to shareholders by way of a special dividend.

Of course, 2012 was another difficult, challenging, volatile and uncertain year for the global economy, commodities and financial markets in general and again this uncertainty impacted our results for the year.

The start of the 2012 financial year was characterised by slowing global growth and a heightened level of economic uncertainty. International trade had contracted and China, the most significant driver of recent global economic growth, had implemented measures aimed at rebalancing its economy. China was also preparing for a transition in leadership (including commentary about China entering a hard landing), the United States was heading towards Presidential elections and there were significant concerns about the level of sovereign indebtedness, particularly in Europe.

Since then, measured economic stimulus has helped stabilise China's economy. The United States economy has made steady progress, partly driven by an improvement in the housing market, underlying construction activity and consumer spending. However, we expect uncertainty to continue to weigh on growth until the second quarter given the unresolved state of the Fiscal Debt Ceiling and likelihood that an agreement will not be reached until the eleventh hour. Eurozone markets have stabilised somewhat following the European Central Bank's commitment to provide more financial support and the region's governments now appear more likely to implement the necessary structural reforms albeit the recent stalemate experienced in the Italian parliamentary with the possibility of a hung parliament may dog the Eurozone again in the short term.

Commodity prices were particularly volatile in 2012, consistent with the prevailing level of uncertainty in the global economy. In the short term, we expect a general improvement in the global economy to support demand and prices for a number of commodities. However, the addition of low cost supply in many markets is expected to dampen the pricing upside.

Into 2013 we expect markets to be characterised by continued volatility with the contributing factor of changing expectations about when central banks will start tightening monetary policy as this will no doubt influence the financial conditions for commodity investment, adding to volatility. While we expect continuing improvement of macroeconomic conditions in China, particularly in the first half, as investment activity and re-stocking drive growth, there remain concerns over European Sovereign debt being unresolved and this will remain a source of commodity price volatility. In addition we see supply expansions resulting from earlier periods of high commodity prices providing some downward pressure on prices.

On the macroeconomic side, we see moderate but stable growth in 2013 of just above 3% globally, broadly similar to 2012. Economic and political systems continue to deal with the aftermath of the Global Financial Crisis, including the timing and pace of Quantitative Easing unwinding and the potential breakup of the Eurozone. Continued tensions in the Middle East and the South China Sea highlight the persistent geopolitical risks that threaten growth.

In China, following a smooth transition last year, we expect Chinese GDP to return above 8% during 2013. Activity did pick up in the last quarter of 2012 and we expect this positive momentum to carry into 2013, especially during the first half as re-stocking and rising investment activity restarts.

In summary, the global economy is expected to strengthen over the next 12 months, providing support for commodities demand and pricing. The longer term outlook remains robust, although supply is now better placed to keep pace with demand for some commodities.

Despite the macroeconomic challenges, during 2012, we were successful with our targeted divestment program with asset sales generating cash proceeds of US$21.51 million through the divestment of the Group's interest in Polo and the JRGL Coal Project. In addition, post year end, we successfully completed the sale of the Group's interest in BCI for US$84.73 million. With this successful sale of BCI, we are committed to returning cash to shareholders and as result announced in January 2013, a special dividend of HK$0.13 per share that is payable to shareholders on 15 March 2013, a total cash outlay of US$58.47 million.

Our listed securities portfolio incurred a total loss (realised and unrealised) of US$5.98 million. The total value of our listed equity portfolio was US$119.73 million as at 31 December 2012, down from US$126.03 million in 2011.

The Group's financial position remains strong, with cash balances and listed securities standing at US$131.18 million, with no external debt. Our net asset value per share was US cents 4.05 (HK cents 31.40) at the end of 2012.

Our strategy remains the same and our strengthened financial position has us well positioned to deliver on this. We will continue to pursue growth by way of acquisitions and will target small to medium sized companies within our core commodity space.

On behalf of the Board, I want to thank our shareholders for their continued support and our employees for their hard work in a difficult year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

Revenue and Profits

The Company recorded a net loss after tax and non-controlling interests of US$44.85 million, compared with the net loss of US$48.53 million in 2011.

The corporate division (revenue and fair value loss on financial instruments) recorded a loss of US$0.89 million (2011: US$24.62 million).

The Group's associates, Regent Markets Holdings Limited ("**Regent Markets**") and West China Coke, contributed a share of profit of US$1.55 million and a loss of US$2.98 million respectively to the Group.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from Regent Markets	1.55
Share of loss from West China Coke	(2.98)
Gain on disposal of JRGL Coal Project	4.41
Impairment loss on West China Coke	(9.34)
Impairment loss on available-for-sale financial assets	(6.69)
Corporate investment	(18.98)
Metals mining	(1.90)
Others	0.16
Taxation	(11.08)
Total loss attributable to shareholders of the Company	**(44.85)**

Financial Position

Shareholders' equity decreased by 22.41% to US$141.23 million as at 31 December 2012 from US$182.02 million as at 31 December 2011. The decrease was mainly due to (i) the loss of US$44.85 million for the year ended 31 December 2012, (ii) the purchase of shares of the Company for a cost of US$4.81 million, which are held for the Group's long term incentive share award scheme, (iii) the decrease of the exchange reserve by US$0.11 million mainly due to the disposal of subsidiaries, (iv) the exchange loss of US$0.07 million on translation of foreign operations, and (v) the decrease of statutory reserve of US$0.81 million due to the share of reserve from an associate and these were offset against (vi) the share-based payment reserve increase of US$9.75 million due to the share-based payment on the Group's long term incentive share award scheme, the reversal of share-based payment reserve from forfeited share awards and the share of reserve from an associate, and (vii) the increase of the exchange reserve by US$0.11 million due to the share of reserve from associates.

The investments in Regent Markets of US$3.73 million and West China Coke of US$8.04 million accounted for 2.64% and 5.69% of shareholders' equity respectively. The Group's assets also comprised: (i) cash and bank balances of US$11.45 million, (ii) listed and unlisted investments of US$124.34 million, (iii) derivative financial instruments of US$1.57 million, and (iv) other assets and receivables of US$2.74 million.

The Group's liabilities comprised (i) payables and accruals of US$3.37 million and (ii) the deferred tax liability of US$7.20 million.

STRATEGIC PLAN

The Board and the Company's senior management play an active role in the Group's strategy development and planning process. The Chief Executive Officer arranged offsite meetings with senior management in December 2012, during which management presented to the Chief Executive Officer proposed initiatives based on the Group's strategy for the 2013 financial year and beyond, and the status of strategy implementation together with the key initiatives undertaken. The Chief Executive Officer regularly interacts with the Board in respect of the strategic plan and direction of the Group, during which meetings the Chief Executive Officer seeks and is provided input in respect of the proposed priorities and initiatives previously discussed and agreed with senior management, aiming at developing an agreed approach for the Group to generate and preserve its long-term value, while agreeing shorter term priorities and objectives. In addition, the risks associated with the current operations and strategy of the Group are currently being tested by way of an internal audit process conducted through an independent service provider, with the aim of identifying ways in which the Group can better identify and manage its risks.

In order to generate or preserve value over the longer term, the Group is committed to:

- transform into a diversified mid-tier mining house by divesting of non-core assets and investments to enable the Group to pursue growth opportunities (by acquiring and developing strategic 'economic' mining assets, of sufficient grade and scale, supported by infrastructure) covering our targeted commodities of choice (iron ore, copper, zinc, thermal and coking coal and gold);

- leverage off our expert international and local teams to tackle difficult markets, deliver results and achieve global recognition;

- actively fund and execute exploration plans with the view of adding to the Group's global resource base; and

- utilise the Company's Hong Kong listing through strong liquidity, demand for resource equities and access to international capital markets, together with maintaining our corporate governance and social responsibility standards in line with the policies set down by the HK Stock Exchange and best practice.

The Company is also committed to creating shareholder value and returns through accretive acquisitions and returning surplus capital to shareholders by way of an effective dividend policy and share repurchase programme.

The current strategy of the Group can be seen in the latest Company presentation available on the Company's website (www.regentpac.com).

Funding

As at 31 December 2012, the Group had US$11.45 million in cash and US$0.59 million on margin deposits held with the Group's brokers for trading of derivatives that represented 8.11% and 0.42% of its total shareholders' equity, which does not take into account the Group's holding of listed securities that amounted to US$119.73 million.

Gearing Ratio

No gearing ratio (being long term debts over total equity and long term debts) is calculated as there was no long term debt as at 31 December 2012.

Contingent Liabilities

The Group has no material contingent liabilities as at 31 December 2012.

Charge on Assets

None of the Group's assets were pledged as at 31 December 2012.

Management of Risk

In 2012, the most significant risk affecting the profitability and viability in respect of the Group is the continued success and revenue derived from its listed equity portfolio and in respect of the Group's interest in West China Coke. Risks relating to the Group's interests include:

Equity Markets

Global financial markets are continuing to experience significant levels of volatility, driven largely by macro-economic imbalances stemming from the sovereign debt problems in the United States and Europe and the credit tightening in developing countries. As such, the future returns from the Group's equity portfolio are linked to the health of the macro environment for which the Group cannot control. Past returns from the listed equity portfolio cannot be used to judge the Group's future listed equity performance.

Price Risk

The profitability of any mining operation in which the Group has an interest is significantly affected by the market prices of commodities.

The fluctuations in commodity prices are influenced by numerous factors beyond the control of the Group. Exchange rates, interest rates, inflation, and the world's supply and demand for commodities can each cause significant fluctuations in commodity prices. Such external economic factors are, in turn, influenced by changes in international economic growth patterns and political developments.

Co-operation of the Joint Venture Partners

Certain of the Group's mining investments and operations, including West China Coke, together with other assets in which the Group may become interested in are or will be in respect of joint ventures. If a dispute arises between any of the joint venture partners in connection with the performance of the party's obligations or the scope of a party's responsibilities under the relevant joint venture agreements, the parties may not be able to resolve their differences through negotiation or arbitration. In the event such a material dispute cannot be resolved in a timely manner, the business and operations of the relevant joint venture company may suffer, and the joint venture agreement may even be terminated by mutual consent of the parties or as a result of a material breach by one of them.

There is no guarantee that any of the joint venture partners will agree on management matters due to possible conflicts of interest, and any disagreement may result in a dispute between us and the relevant joint venture partner. In the event of a deadlock at a board meeting of such joint venture company, if the partners cannot resolve the disagreement in a timely manner through negotiation or dispute resolution mechanisms, such deadlock may cause the board of directors of the relevant joint venture company to fail to make, or delay in making, an important decision, which may adversely affect the financial condition and results of operations of that joint venture company.

Any of the foregoing events could have a material adverse effect on the Group's or the relevant joint ventures' financial condition and results of operations.

Operational Risks

The Group's interests, whether direct or indirect, in the operation of certain mines are generally subject to a number of risks and hazards, including industrial accidents, unusual or unexpected geological conditions, technical failure, inclement weather and other natural phenomena such as excessive rain and earthquakes. Such occurrences could result in damage to, or destruction of, mining properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liabilities.

Uncertainties Related to Exploration

Exploration of mineral resources is speculative in nature, so substantial expenses may be incurred from initial drilling to production. There is also no assurance that exploration can lead to the discovery of economically feasible reserves. If reserves are discovered, it may take a number of years and substantial expenditure from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. In addition, there is a risk that the resources are less than envisaged.

Licence Period of Exploration and Mining Rights

The Group, together with companies in which the Group invests, may obtain mining rights for conducting mining activities in a specific mining area during the licence period. There can be no assurance that the Group or the relevant investee company will be able to exploit the entire mineral resources of its mine during the initial licence period. If the Group or relevant investee company fails to renew its exploration licences upon expiry or it cannot effectively utilise the resources within a licence period specified in such licence, the operation and performance of the Group or the Group's investment(s) may be adversely affected.

Capital Requirements and Funding Sources

The exploration and mining of mineral resources require substantial capital investments. The ability of the Group or companies in which the Group invests to obtain future financing involves a number of uncertainties including their future operational results, financial condition and cash flow. If the Group or relevant investee company fails to obtain adequate funds to satisfy their operations or development plans, this may affect their businesses, the efficiency of their operations and their operating results.

Government Regulations

Mining operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, monitoring, protection, and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Changes in such laws and regulations may be significant and could delay the progress of, cause interruptions to, and increase the costs associated with the operations and investments of the Group.

Political and Economic Considerations

Governments have been making efforts to promote reforms of their economic system and manage through the global financial issues. These reforms can bring about marked economic growth and social progress. However, revisions or amendments may be made to these policies and measures from time to time, and the Company is not in a position to predict whether any change in the political, economic or social conditions may adversely affect the operating results of the Group.

Legal Considerations

The PRC legal system is a statutory law system. Unlike the common law system, decided legal cases have little significance for guidance, and rulings by the court can only be used as reference with little value as precedents. Since 1979, the PRC government has established a commercial law system, and significant progress has been made in promulgating laws and regulations relating to economic affairs. However, as these regulations are relatively new and the availability of public cases as well as the judicial interpretation of them are limited in number, both the implementation and interpretation of these regulations are uncertain in many areas.

The underlying exploration and mining projects of companies in which the Group has invested also involves other developing and emerging markets, in which regulations are relatively new and the availability of public cases as well as the judicial interpretation of them are limited in number, both the implementation and interpretation of these regulations are uncertain in many areas.

Competition for Resources

The mining business depends on one's ability to discover new resources. The Group will face competition from other mining enterprises and investors in discovering and acquiring resources and associated investment opportunities.

Foreign Exchange Risk

The Company operates using US dollars. As such the Company is exposed to foreign currency fluctuations arising from operations of its subsidiaries and associates. This exposure relates mainly to the translation between US dollars and non-US dollar currencies. Currency fluctuations may affect the revenues which the Company realises from its subsidiaries and associates and, in particular, its interest in West China Coke. This exposes the Company to increased volatility in earnings as reported in US dollars due to fluctuations in foreign exchange rates. While foreign currencies are generally convertible into US dollars, there is no guarantee that they will continue to be so convertible or that fluctuations in the value of such currencies will not have an adverse effect on the Company.

Interest Rate Risk

The Company does not have any operating lines of credit or bank facilities. Therefore, the Company was not exposed to interest rate risk in the financial year concerned.

Environmental and Employee Health and Safety Risks

Mining companies are subject to extensive and increasingly stringent environmental, and employee health and safety protection laws and regulations. These often impose fees for discharge of waste substances, require the establishment of reserves for reclamation and rehabilitation, and impose fines for serious environmental offences and breaches of labour and employment laws. Governments may shut down any facility that fails to comply with orders requiring it to correct or cease operations that raise environmental or employee health and safety concerns. Failure to comply with existing or future environmental, and labour laws and regulations could have a material adverse effect on the Group's, including West China Coke's, business, operations, investments, financial condition and results of operations.

Accidents and Insufficient Insurance Coverage

West China Coke's operations, together with the operations of other companies in which the Group has invested, involve significant risks and occupational hazards that are inherent in such activities and may not be completely eliminated through the implementation of preventative measures. There is no guarantee that safety-related accidents will not occur due to adverse operating conditions and the consequences resulting from them may not be covered adequately, or at all, by the Group's or West China Coke's insurance policies, or those of the other companies in which the Group has invested . Losses incurred or payments that may be required may have a material adverse effect on the financial condition and results of operations of the Group and West China Coke, together with those of the other companies in which the Group has invested, to the extent that such losses or payments are not insured or the insured amount is not adequate.

Financial Instruments

The Group will operate both equity market and currency hedges from time to time. Investment is carefully controlled, in accordance with parameters set by the Board, in short term situations where physical assets may be inappropriate. There is strict segregation between the investment management and settlement functions.

In the course of the Group's normal operations, margin deposits of varying amounts of cash are held by the Group's brokers. As at 31 December 2012, the amount of these margin deposits was US$0.59 million (2011: US$8.93 million). In terms of the total operations of the Group, activities of this nature are of limited materiality.

Foreign Currency

The Group had not taken out any currency hedge as the management is not aware of any material foreign currency risk against its investments in financial assets. Currently, the Group has no material financial liabilities denominated in foreign currencies other than US dollar.

Material Acquisitions and Disposals

As previously announced, during the year the Group:

- bolstered its strategic position in BCI to 23.11% of its issued and outstanding share capital as at 30 June 2012 (which was subsequently diluted to 20.10% following its non-participation in the BCI share placement in December 2012), following which, it sought and had appointed Jamie Gibson to the board of BCI as a non-executive director;

- further increased its strategic position in Venturex to 31.87% through a series of on-market acquisitions and participation in an entitlements issue;

- disposed of its remaining interest in Polo, providing the Group with an overall investment return of approximately US$5.07 million comprising sales proceeds (before expenses) of approximately US$8.43 million, dividends received of approximately US$6.72 million, net of investment costs of approximately US$10.08 million over the period from the year of 2008 to 2012; and

- disposed of its interests in the JRGL Coal Project in January 2012, which generated a realised gain of US$4.41 million. For details of this disposal, please refer to note 15 in this announcement.

As previously announced, post year end the Group:

- increased its stakes in Condor to 9.45% at a cost of US$8.14 million without exercising its option to further subscribe for additional shares of Condor of GBP 3 million and Trinity to 3.67% at a cost of US$4.04 million (following its merger with Bayfield Energy Holdings plc);

- disposed of its entire shareholding in BCI in January 2013 for US$84.73 million in cash (total gross proceeds before expenses and taxes), providing the Group with an overall investment return of approximately US$44.32 million (before expenses and taxes); and
- sought and had appointed James Mellon to the board of Venturex as a non-executive director.

Segmental Information

During the period ended 31 December 2012, there were no changes in the Group's industry segment.

Employees

The Group, including subsidiaries but excluding associates, employed approximately 24 employees at 31 December 2012 (2011: 27 employees). The remuneration policy is to reward key employees by a combination of salaries, profit related discretionary bonuses, share options and share awards, where appropriate. For employees below Board level, remuneration will be determined by the Director(s) responsible for the division whilst, for Directors, remuneration is determined by the Remuneration Committee of the Company. In all cases, profit related discretionary bonuses grants of share rewards will be agreed by the Remuneration Committee of the Board. During the year and up to the date of this report, 166,000,000 share awards were granted to eligible participants.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: nil).

THE CODE ON CORPORATE GOVERNANCE PRACTICES AND THE CORPORATE GOVERNANCE CODE

The Directors have noted that the HK Stock Exchange published on 28 October 2011 the Consultation Conclusions on the "Review of the Corporate Governance Code and Associated Listing Rules" (the "**Consultation Conclusions**") and introduced a number of amendments to the provisions of The Rules Governing the Listing of Securities on the HK Stock Exchange (the "**HK Listing Rules**"), The Code on Corporate Governance Practices (the "**Code on CG Practices**" which was renamed as "The Corporate Governance Code" (the "**CG Code**")) as set out in Appendix 14 to the HK Listing Rules and the disclosures to be made in the Corporate Governance Report (which was formerly set out in Appendix 23 to the HK Listing Rules), which were designated to take effect on 1 January 2012 or 1 April 2012 or otherwise.

The Company is committed to a high standard of corporate governance, for which the Directors are accountable to the Company, and has applied the principles of the Code on CG Practices and later the CG Code in a manner consistent with best practices of a listed issuer. The primary responsibility for performing the corporate governance functions for the Company, as referred to in the terms of reference set out in Code Provision D.3.1 of the CG Code, rests with the Board, with the full support of the Company's secretary and its executive management.

The Company continues to monitor developments in this area of corporate governance as they relate to listed issuers in Hong Kong.

As far as the Directors are aware, the Company has complied with the code provisions set out in: (i) the Code on CG Practices, during the period from 1 January to 31 March 2012; and (ii) the CG Code, during the period from 1 April to 31 December 2012 and prior to the date of this announcement.

REVIEW BY THE AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2012 have been reviewed by the audit committee of the Company (the "**Audit Committee**").

The Audit Committee was established on 11 March 1999 with its specific written terms of reference which deal with its authority and duties. The terms of reference were subsequently amended in order to incorporate the amendments made from to time to the code provisions in C.3 of the Code on CG Practices and were recently amended on 13 March 2012 in order to comply with the relevant code provisions in the CG Code which were introduced by the Consultation Conclusions to take effect on 1 April 2012. The committee's purpose is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and the internal control and risk management systems of the Company, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

In compliance with Rule 3.21 of the HK Listing Rules, the Audit Committee currently comprises the Non-Executive Co-Chairman of the Board (James Mellon) and two Independent Non-Executive Directors, namely Julie Oates and Mark Searle. The committee is chaired by Julie Oates, who has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2).

The Audit Committee discharged their duties in accordance with their terms of reference with no exceptions reported.

In compliance with Code Provision C.3.4 of the CG Code, the terms of reference of the Audit Committee are available at the website of the Company (www.regentpac.com) and the HK Stock Exchange (www.hkexnews.hk).

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

1. Under the Repurchase Mandates

A general mandate was granted to the Directors at the Company's annual general meeting held on 1 June 2011 to repurchase, on the HK Stock Exchange, shares up to a maximum of 384,247,052 shares (the "**2011 Repurchase Mandate**"). Shares repurchased by the Company on the HK Stock Exchange prior to 1 January 2012 pursuant to the 2011 Repurchase Mandate were duly reported in the Company's last annual report published for the year ended 31 December 2011. Since 1 January 2012, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2011 Repurchase Mandate.

Given that the 2011 Repurchase Mandate was about to be fully exercised and in light of the significant premium of the unaudited net asset value per share to the current price of the shares on the HK Stock Exchange, the Directors sought at the extraordinary general meeting held on 28 March 2012 a new general mandate to repurchase, on the HK Stock Exchange, shares up to a maximum of 348,573,052 shares (the "**2012 March Repurchase Mandate**"). Since 28 March 2012, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2012 March Repurchase Mandate.

The 2012 March Repurchase Mandate expired upon close of the Company's annual general meeting held on 30 May 2012, at which a new general mandate was granted to the Directors to repurchase, on the HK Stock Exchange, shares up to a maximum of 348,573,052 shares (the "**2012 May Repurchase Mandate**"). Since 30 May 2012 and prior to the date of this announcement, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2012 May Repurchase Mandate.

2. For the Long Term Incentive Plan 2007

During the period from 11 April to 15 June 2012, the Company, through its independent trustee, acquired from the market and on the HK Stock Exchange an aggregate of 148,999,999 shares at prices ranging from HK$0.234 to HK$0.265 per share, for a total consideration of HK$37,275,889.76 (approximately US$4,814,000), which are to be vested to the respective eligible participants under the Company's Long Term Incentive Plan 2007 in accordance with the vesting schedules of the units granted.

Save for the above, the Company or its subsidiaries did not purchase, sell or redeem any of their listed securities, whether on the HK Stock Exchange or otherwise, during the year ended 31 December 2012 or subsequent to the year end date and prior to the date of this announcement.

PUBLICATION ON WEBSITES

This announcement is published on the websites of the Company (www.regentpac.com) and the HK Stock Exchange (www.hkexnews.hk).

DESPATCH OF ANNUAL REPORT

The annual report containing full details of the Company's audited final results for year ended 31 December 2012 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2013.

On Behalf of the Board of
Regent Pacific Group Limited

James Mellon
Co-Chairman

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, 27 March 2013