



Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

7 December 2007



ANNOUNCEMENT

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007



RESULTS

The directors (the “**Directors**” or the “**Board**”) of Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) are pleased to announce the unaudited results of the Group for the six months ended 30 September 2007, together with comparative figures for the corresponding period ended 30 September 2006, as follows:





Condensed Consolidated Income Statement For the six months ended 30 September 2007

		(Unaudited) For the six months ended 30 September	
	Notes	2007 US\$'000	2006 US\$'000
Revenue/Turnover:	3		
Corporate investment income		523	162
Asset management and corporate finance income		-	212
Other income		912	76
Fair value (loss)/gain		(44)	2,776
		<u>1,391</u>	<u>3,226</u>
Expenses:			
Employee benefit expenses		(2,335)	(1,697)
Rental and office expenses		(202)	(93)
Information and technology expenses		(118)	(107)
Marketing costs and commissions		(20)	(43)
Professional fees		(731)	(504)
Investment advisory fee		-	(78)
Finance costs	5	(1,192)	(1,291)
Other operating expenses		(399)	(356)
Operating loss	4	<u>(3,606)</u>	<u>(943)</u>
Share of profit of an associate		315	888
Share of profit of a jointly controlled entity		5,068	2,942
Profit before taxation		<u>1,777</u>	<u>2,887</u>
Taxation	6	-	-
Profit for the period		<u><u>1,777</u></u>	<u><u>2,887</u></u>
Attributable to:			
Equity holders of the Company		1,901	2,525
Minority interests		(124)	362
		<u><u>1,777</u></u>	<u><u>2,887</u></u>
Dividend		-	-
Earnings per share (US cent):	7		
- Basic		<u>0.12</u>	<u>0.18</u>
- Diluted		<u>0.11</u>	<u>0.15</u>

**Condensed Consolidated Balance Sheet
As at 30 September 2007**

	(Unaudited) As at 30 September 2007 US\$'000	(Audited) As at 31 March 2007 US\$'000
Non-current assets:		
Goodwill	1,876	1,876
Exploration and evaluation assets	218	78
Property, plant and equipment	242	195
Interest in an associate	3,105	2,768
Interest in a jointly controlled entity	27,091	25,180
Available-for-sale financial assets	620	620
	<u>33,152</u>	<u>30,717</u>
Current assets:		
Cash and bank balances	46,062	3,938
Financial assets at fair value through profit and loss	4,381	6,290
Trade receivables	158	173
Prepayments, deposits and other receivables	7,877	1,779
	<u>58,478</u>	<u>12,180</u>
Current liabilities:		
Derivative financial instruments	(20)	(17)
Trade payables, accruals and other payables	(2,482)	(647)
Borrowings	(24)	(29)
	<u>(2,526)</u>	<u>(693)</u>
Net current assets	<u>55,952</u>	<u>11,487</u>
Total assets less current liabilities	<u>89,104</u>	<u>42,204</u>
Non-current liability:		
Borrowings	(17,979)	(21,631)
Net assets	<u>71,125</u>	<u>20,573</u>
Equity		
Equity attributable to the Company's equity holders		
Share capital	19,467	14,959
Reserves	51,300	5,127
	<u>70,767</u>	<u>20,086</u>
Minority interests	358	487
Total equity	<u>71,125</u>	<u>20,573</u>



Notes to Condensed Interim Financial Statements

1. General information and basis of preparation

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is at PO Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") and the OTC market (Freiverkehr) of the Frankfurt Stock Exchange.

The Company's principal activity is investment holding, and the Group's principal activities consist of exploration and mining of natural resources; provision of investment advisory services; corporate finance and advisory services; and corporate investment.

The condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities (the "HK Listing Rules") on The HK Stock Exchange and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended 31 March 2007.

The accounting policies used in the preparation of this condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2007.

2. Adoption of new issued Hong Kong Financial Reporting Standards and HKASs ("HKFRSs")

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the adoption of such HKFRSs will not result in material financial impact on the financial statements of the Group:

HKAS 23 (Revised)

Borrowing Costs¹

HKFRS 8

Operating Segments¹

¹ Effective for annual periods beginning on or after 1 January 2009



3. Segmented information

Primary reporting format - business segments

The Group comprises four business segments as follows:

- Mining : mining and exploration of natural resources
- Asset management : management of assets entrusted by the shareholders of various mutual funds
- Corporate finance : provision of investment advisory services to associates and third parties
- Corporate investment : investment in corporate entities, both listed and unlisted

Inter-segment revenues arising from inter-segment transactions are conducted at competitive market prices charged to external customers. Those revenues are eliminated on consolidation.

For the six months ended 30 September 2007

	(Unaudited)					
	Asset management US\$'000	Corporate finance US\$'000	Corporate investment US\$'000	Mining US\$'000	Unallocated US\$'000	Total US\$'000
Revenue from external customers	-	-	1,435	-	-	1,435
Inter-segment revenue	-	-	-	-	-	-
	-	-	1,435	-	-	1,435
Segment results	-	-	(2,020)	(394)	-	(2,414)
Unallocated operating expenses						-
Finance costs						(1,192)
Operating loss						(3,606)
Share of profit of an associate					315	315
Share of profit of a jointly controlled entity				5,068		5,068
Taxation						-
Profit for the period						<u>1,777</u>



For the six months ended 30 September 2006

	(Unaudited)					
	Asset management US\$'000	Corporate finance US\$'000	Corporate investment US\$'000	Mining US\$'000	Unallocated US\$'000	Total US\$'000
Revenue from external customers	288	-	162	-	-	450
Inter-segment revenue	-	-	-	-	-	-
	288	-	162	-	-	450
Segment results	(579)	(1,229)	2,156	-	-	348
Unallocated operating expenses						-
Finance costs						(1,291)
Operating loss						(943)
Share of profit of an associate					888	888
Share of profit of a jointly controlled entity				2,942		2,942
Taxation						-
Profit for the period						<u>2,887</u>

The segment assets and liabilities at 30 September 2007 and capital expenditure for the six months then ended are as follows:

	(Unaudited)					
	Asset management US\$'000	Corporate finance US\$'000	Corporate investment US\$'000	Mining US\$'000	Others US\$'000	Total US\$'000
Segment assets	-	-	60,041	1,393	-	61,434
Interest in an associate	-	-	-	-	3,105	3,105
Interest in a jointly controlled entity	-	-	-	27,091	-	27,091
Total assets	-	-	60,041	28,484	3,105	91,630
Segment liabilities	-	-	2,590	17,915	-	20,505
Depreciation and amortisation	-	-	36	-	-	36
Capital expenditure	-	-	83	138	-	221



The segment assets and liabilities at 30 September 2006 and capital expenditure for the six months then ended are as follows:

	(Unaudited)					
	Asset management US\$'000	Corporate finance US\$'000	Corporate investment US\$'000	Mining US\$'000	Others US\$'000	Total US\$'000
Segment assets	474	16	7,492	-	4,622	12,604
Interest in an associate	-	-	-	-	2,475	2,475
Interest in a jointly controlled entity	-	-	-	23,184	-	23,184
Total assets	474	16	7,492	23,184	7,097	38,263
Segment liabilities	135	-	37	17,933	-	18,105
Depreciation and amortisation	8	-	-	-	-	8
Capital expenditure	-	-	-	19,940	-	19,940

Secondary reporting format - geographical segments

The Group's business is managed on a world-wide basis. Asia Pacific is a major market for its mining and exploration of natural resources, and its corporate investments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, investing funds or corporate investment.

There are no sales between the geographical segments.

For the period ended 30 September 2007

	North America US\$'000	Asia Pacific US\$'000	Western Europe US\$'000	Total US\$'000
Revenue from external customers	11	1,209	215	1,435
Capital expenditure incurred during the period	-	221	-	221

For the period ended 30 September 2006

	North America US\$'000	Asia Pacific US\$'000	Western Europe US\$'000	Total US\$'000
Revenue from external customers	88	281	81	450
Capital expenditure incurred during the period	-	19,940	-	19,940

**4. Operating loss**

	(Unaudited) For the six months ended 30 September	
	2007 US\$'000	2006 US\$'000
Operating loss is arrived at after charging:		
Auditors' remuneration	40	68
Bad debts written off	-	117
Depreciation on owned property, plant and equipment	36	8
Operating lease rental on property and equipment	116	46
Share-based payment	381	341
and crediting:		
Interest income on bank deposits	70	47
Dividend income from available-for-sale financial assets	-	71
Dividend income from financial assets at fair value through profit and loss	25	-

5. Finance costs

	(Unaudited) For the six months ended 30 September	
	2007 US\$'000	2006 US\$'000
Interest on convertible bonds	917	1,291
Interest on redeemable convertible preference shares	275	-
	1,192	1,291

6. Taxation

No provision for Hong Kong or overseas 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 period.

Share of associate's taxation for the six months ended 30 September 2007 of US\$6,000 (2006: US\$14,000) is included in the consolidated income statement as share of profit of an associate. Pursuant to a notice dated 30 June 2006 issued by the Simao Provincial Tax Bureau, the Company's jointly controlled entity is exempt from income tax from year 2006 to year 2007 and is subject to a 50% reduction in the income tax rate for a period of three years from 2008 to 2010.



7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	(Unaudited)	
	For the six months ended 30 September	
<u>Earnings</u>	2007	2006
	US\$'000	US\$'000
Profit attributable to equity holders of the Company, used to determine basic earnings per share	1,901	2,525
Interest on convertible bonds	-	508
Profit used to determine diluted earnings per share	<u>1,901</u>	<u>3,033</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares, used to determine basic earnings per share	1,628,185,514	1,439,107,391
Effect of dilutive potential ordinary shares:		
Share options	82,582,810	22,354,213
Convertible bonds	-	623,536,527
Weighted average number of ordinary shares, used to determine diluted earnings per share	<u>1,710,768,324</u>	<u>2,084,998,131</u>

* The convertible bonds and the redeemable convertible preference shares outstanding during the period ended 30 September 2007 had an anti-dilutive effect on the earnings per share and were ignored in the calculation of diluted earnings per share.



REVIEW AND PROSPECTS

Main activities

The Group's principal activities during the period were the production of copper and zinc concentrates at its 40% owned mine at Dapingzhang in Yunnan Province, China, exploration activities at its 90% owned mine at Yinzishan in Yunnan Province, China and the contribution of profit from Regent Markets Holdings Limited ("**Regent Markets**").

On 18 September 2007, the Group raised net proceeds of HK\$333.2 million (US\$42.7 million) through Morgan Stanley & Co., International plc.

On 14 September 2007, the Group announced that it had entered into a share purchase agreement on 4 September 2007 to purchase 20.38% of the existing issued share capital of CCEC Ltd ("**CCEC**") and on 12 October 2007, Morgan Stanley, the financial adviser to the Company, made an offer to acquire the remaining 79.62% of the existing issued share capital of CCEC. On 28 November 2007, the Company has secured rights to acquire 100% of the existing CCEC share capital from the CCEC shareholders. The acquisition will bring to the Group, subject to satisfaction of the conditions precedent, including shareholders' approval at the Extraordinary General Meeting on 8 December 2007, CCEC's coal projects in China, particularly the Amerinvest projects, the Ji Ri Ga Lang project and other potential exploration properties in the coal sector. The proposed acquisition of CCEC will provide an opportunity for the Group to strengthen its position in the coal industry in China and create value for all its shareholders.

Financial results

The consolidated profit attributable to shareholders of the Company for the six months ended 30 September 2007 was US\$1.9 million (2006: US\$2.5 million). The main reason for the drop in profit was the write down in the Group's shareholding in Red Dragon Resources Corporation.

The Group's shareholders' equity increased by US\$50.7 million from 31 March 2007 to US\$70.8 million as at 30 September 2007. The increase is attributable to (i) the issuance of 293 million shares, (ii) the conversion of US\$4.4 million convertible bonds, (iii) the conversion of US\$0.5 redeemable convertible preference shares, (iv) the issuance of 15 million shares upon exercise of options and (v) profit of US\$1.9 million for the six-month period ended 30 September 2007.

Review of results and operations

YUNNAN SIMAO SHANSHUI COPPER COMPANY LIMITED ("**YSSCCL**")

Safety

There were no lost time injuries since YSSCCL's incorporation to 30 September 2007.

Environment

There were no reportable environmental incidents in the period. Environmental Resources Management has completed a comprehensive mine wide environmental, health and safety plan, including the provision of training, which is now being implemented across the mine site.

**Mining, Production and Costs**

Set out below are the mining, production and costs for the six months to 30 September 2007.

Table 1

Copper Production Six months ended Sept 07			Zinc Production Six months ended Sept 07			Copper - Zinc Production Six months ended Sept 07		
		Units			Units			Units
Ore mined	t	-	Ore mined	t	537,017	Ore mined	t	16,611
Grade Cu	%	-	Grade Zn	%	3.75	Grade Zn	%	6.16
						Grade Cu	%	2.38
Ore milled	t	81,244	Ore milled	t	142,343	Ore milled	t	63,559
Cu grade	%	1.39	Zn grade	%	7.01	Zn grade	%	6.27
						Cu grade	%	1.18
Cu recoveries	%	92.3	Zn recoveries	%	87.9	Zn recoveries	%	85.11
						Cu recoveries	%	54.14

Table 2

Concentrate Production and Sales Six months ended Sept 07		
		Units
Production		
Copper concentrate	t	7,800
Zinc concentrate	t	25,139
Concentrate Sales		
Copper concentrate	t	8,512
Zinc concentrate	t	15,105
Contained metal		
Cu	t	1,683
Zn	t	7,665
Au	oz	931
Ag	oz	32,155

Table 3

Operating Costs for six months to 30 Sept 2007 (Copper equivalent)	
All in US\$'000 (HKFRS adjusted)	Half year to Sept 2007
Operating*	10,831
Transportation costs	443
By-product credit^	(732)
Total Cash Cost	10,542
Depreciation and amortisation#	1,135
Total Production Cost	11,677

~ where there are payable terms

* Exploration and resource drilling expenditures are not included in mine site cash costs

^ Revenue from gold and silver

Includes amortisation of mine assets and exploration and resource drilling



For the six months to 30 September 2007 a total of 553,628 tonnes of ore were mined, predominantly from the Dawaz open pit, which is a zinc rich ore body. Production of a separate zinc concentrate commenced in July 2007 from the Dawaz zinc rich ore and average mill feed grades of over 6.5% zinc for the period of July 2007 to September 2007 were processed. Processing of copper zinc ore was also undertaken as a metallurgical trial during the period. As at the end of September 2007, there was 412,459 tonnes of ore on stockpile.

Total cash costs for the six months ended were US\$0.1372 per lb copper equivalent.

The average copper price and zinc price received in the six months ended 30 September 2007 was RMB 53,893 / tonne (approximately US\$7,186 / tonne) and RMB 16,667 / tonne (approximately US\$2,222 / tonne), respectively.

Exploration

YSSCCL produced its third estimate of minerals resources as of September 2007 (a copy can be obtained from www.regentpac.com). A summary of the estimate is set out below: -

The new JORC compliant Measured, Indicated and Inferred resources of the Dapingzhang project as estimated by Cube Consulting Pty Ltd (Cube) are as follows:

Minerals Resources Statement as at September 2007

Dawaz Measured Resource						
	Million Tonnes (Mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au g/t)	Silver Grade (Ag g/t)	Lead Grade (%Pb)
Massive	0.98	0.47	4.18	0.12	30.02	0.55
Disseminated	0	0	0	0	0	0
Total Massive & Disseminated	0.98	0.47	4.18	0.12	30.02	0.55

	Dapingzhang Indicated Resource						Dapingzhang Inferred Resource					
	Million Tonnes (Mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au g/t)	Silver Grade (Ag g/t)	Lead Grade (%Pb)	Million Tonnes (Mt)	Copper Grade (%Cu)	Zinc Grade (%Zn)	Gold Grade (Au g/t)	Silver Grade (Ag g/t)	Lead Grade (%Pb)
Massive	12.31	1.63	1.67	0.50	20.52	0.24	0.30	1.0	1.6	0.2	9.6	0.1
Disseminated	30.20	0.55	0.03	0.10	3.56	0.01	0	0	0	0	0	0
Total Massive & Disseminated	42.51	0.86	0.50	0.22	8.47	0.08	0.30	1.0	1.6	0.2	9.6	0.1



Total Dawaz & Dapingzhang Contained Metal Indicated and Inferred					
	Copper (^{'000} tonnes)	Zinc (^{'000} tonnes)	Gold (^{'000} ounces)	Silver (^{'000} ounces)	Lead (^{'000} tonnes)
Massive	209	251	205	9154	36
Disseminated	165	9	102	3458	3
Total Massive & Disseminated	374	260	307	12612	39

The resource for the total Dapingzhang mine is based on 407 diamond drill holes at a nominal drill spacing of 50m x 50m, and in the Dawaz Pit a total of 213 reverse circulation holes at a nominal spacing of 12.5m x 12.5m. Total meterage drilled in the 2.75 km² mine license area is 105,678 metres of diamond drilling and 4,857 metres of reverse circulation drilling.

YSSCCL's second ore reserve is planned for first quarter 2008.

The coming months will see exploration conducted at Dapingzhang, Rongfa 1 and Yinzishan.

Dapingzhang

10 diamond drill holes of over 4,000 metres will be drilled over the next few months with the aim of testing the down dip extension of the ore body.

Rongfa 1

A geophysical program covering approximately 4 km² started in November 2007 to identify and prioritise drill targets. Completion is scheduled for March 2008 and if the results are positive, an exploration drilling program will start.

Yinzishan

After completion of a second geophysical program, certain drill targets have been identified and 5 diamond drill holes of approximately 1,500 metres will be drilled from December 2007.

REGENT MARKETS GROUP

Regent Markets has enjoyed a successful 2007, with turnover and profitability projected to match the record numbers of 2006. The group employs 40 staff across offices in Malta, the Isle of Man, and Malaysia, and benefits from being the market leader in the field of fixed-odds financial betting. The group's flagship website www.betonmarkets.com has won several awards. The group is in a strong position to continue its market lead in 2008.



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

Revenue and Profits

The Group recorded a profit after tax and minority interests of US\$1.90 million for the 6-month period ended 30 September 2007.

The jointly controlled entity and associate of the Group, Yunnan Simao Shanshui Copper Company Limited and Regent Markets Holdings Limited contributed a share of profit of US\$5.07 million and US\$0.32 million respectively to the Group for the 6-month period ended 30 September 2007. YSSCCL recorded a profit of RMB96.11 million (equivalent to US\$12.67 million) for the 6-month period ended 30 September 2007.

The fair value loss from investments for the 6-month period ended 30 September 2007 was US\$0.04 million due mainly to the marked-to-market decrease in the shares of Red Dragon Resources Corporation of US\$0.68 million. Of this US\$0.04 million fair value loss, US\$0.60 million represented realised profit and US\$0.64 million was unrealised loss.

The Group continued to monitor its operating costs closely. The majority of the operating expenses were the interest expenses of the convertible bonds and redeemable convertible preference shares amounting to US\$1.19 million for the 6-month period ended 30 September 2007.

The main elements of the profit are analysed as follows:

	US\$ million
Share of profit from YSSCCL	5.07
Share of profit from Regent Markets	0.32
Corporate investment	(1.91)
Mining	(0.39)
Finance cost	(1.19)
Total profit attributable to shareholders	1.90

Balance Sheet

The shareholders' equity increased significantly by 252.26% to US\$70.77 million as at 30 September 2007 from US\$20.09 million as at 31 March 2007. The increase was mainly due to (i) issue of 293 million new shares through a private placement resulting in a total increase of share capital and share premium of US\$42.73 million (net of placing commission and expenses), (ii) the conversion of the US\$4.39 million convertible bonds resulting in a total increase of share capital and share premium of US\$4.13 million, (iii) the conversion of US\$0.50 million redeemable convertible preference shares resulting in a total increase of share capital and share premium of US\$0.45 million, (iv) the issuance of 15 million shares upon exercise of options resulting in a total increase of share capital and share premium of US\$0.47 million and (v) the profit of US\$1.90 million for the 6-month period ended 30 September 2007.

The investments in YSSCCL of US\$27.09 million and Regent Markets of US\$3.11 million accounted for 38.28% and 4.39% of the shareholders' equity respectively. The Group's other assets comprised: (i) cash of US\$46.06 million, (ii) listed and unlisted investments of US\$5.00 million, (iii) goodwill of US\$1.88 million and (iv) other assets and receivables of US\$8.50 million.

The Group's liabilities comprised: (i) convertible bonds (liability portion) of US\$12.68 million, (ii) redeemable convertible preference shares (liability portion) of US\$5.23 million, (iii) finance lease obligation of US\$0.09 million and (iii) trade payables and others of US\$2.50 million.



Future Funding

As at 30 September 2007, the Group had US\$46.06 million cash or 65.08% of its total shareholders' equity, which does not take into account the Group's holding of listed securities that amounted to US\$3.89 million.

On 28 September 2007, the Company completed the fund raising by placing 293,339,464 shares at the placing price of HK\$1.20 per share to raise gross cash proceeds of approximately HK\$352.01 million (approximately US\$45.13 million). Net cash proceeds of approximately HK\$333.23 million (approximately US\$42.73 million) were guaranteed after offsetting the placing commission and expenses.

On 3 September 2007, YSSCCL declared a dividend of RMB74.10 million for the period from 1 April 2006 (date of establishment) to 31 December 2006, from which the Group can receive RMB29.64 million (equivalent to US\$3.95 million).

On 31 March 2006, the Group issued US\$20 million Convertible Bonds. These funds were used to acquire the Group's 40% interest in YSSCCL. The Convertible Bonds are secured by a guarantee dated 31 March 2006 given by Regent Metals Limited ("**RML**") in favour of the security agent (the "**Security Agent**") guaranteeing the due payment of all sums to be payable by the Company in respect of the Convertible Bonds (the "**Guarantee**"); a floating charge given by RML in favour of the Security Agent over all its assets and undertaking and a charge over a specified bank account into which all dividend payments and other distributions, including without limitation, proceeds of sale of assets made by YSSCCL, will be made; and a share charge dated 31 March 2006 given by Regent Metals (Jersey) Limited in favour of the Security Agent to secure RML's obligations under the Guarantee.

Save as above, there were no other material charges against the Group's assets as at 30 September 2007.

The Company's subsidiaries, associates and jointly controlled entity may require funding as their businesses develop. It is expected that the bulk of such funding will be obtained from external sources but, dependent upon the amount and the duration, funding will also be made available by the Group from its external resources.

Management of Risk

The most significant risk affecting the profitability and viability of the Company is its 40% interest in YSSCCL, a Sino-foreign equity joint venture enterprise that produces copper and zinc concentrates with gold and silver credits.

Contingent Liabilities

The Group has no material contingent liabilities as at 30 September 2007.

INTERIM DIVIDEND

The Directors have resolved not to declare an interim dividend in respect of the six months ended 30 September 2007 (2006: nil).



CHANGE OF FINANCIAL YEAR END

The Directors have resolved that the financial year end of the Company and the Group be changed to 31 December.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Code on Corporate Governance Practices (the “**Code on CG Practices**”) was introduced to Appendix 14 to the HK Listing Rules in November 2004 to take effect on 1 January 2005 (and applicable to accounting periods commencing on or after 1 January 2005), with an exception in respect of the provisions on internal controls, which took effect on 1 July 2005 (and applicable to accounting periods commencing on or after 1 July 2005). Appropriate actions were duly taken by the Directors for ensuring that the Company was in compliance of all code provisions in the Code on CG Practices.

The Company has applied the principles of the Code on CG Practices since their adoption on 1 January 2005 as mentioned above in a manner consistent with best practices of a listed issuer. The primary responsibility for ensuring that the Code on CG Practices is complied with rests with the Directors with the full support of the Company’s secretary and its executive management.

As far as the Directors are aware, the Company has complied with the code provisions set out in the Code on CG Practices during the six-month period ended 30 September 2007.

REVIEW BY THE AUDIT COMMITTEE

The interim financial statements of the Company for the six months ended 30 September 2007 have been reviewed by the audit committee of the Company (“**Audit Committee**”).

The Audit Committee was established on 11 March 1999, with written terms of reference amended on 18 March 2005, in compliance of the code provisions in C.3 of the Code on CG Practices, and further revised on 5 January 2007 to incorporate issues relating to internal controls. 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 of Rule 3.21 of the HK Listing Rules, the Audit Committee currently comprises the non-executive 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. The Audit Committee is in compliance of Rule 3.21 of the HK Listing Rules.

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

Terms of reference of the Audit Committee are available on request.



INTERNAL CONTROL

Pursuant to Code Provision C.2.1 of the Code on CG Practices, the Audit Committee has engaged an independent professional firm to undertake a review of the Group's internal control systems, including its financial, operational and compliance functions. The process will also review the ongoing operational and investment risks within the Group. The recommendations provided by the professional firm will be considered by the Audit Committee and incorporated into the future review programme as appropriate.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

No shares in the Company were purchased or sold by the Company or any of its subsidiaries during the six-month period ended 30 September 2007, whether on the HK Stock Exchange or otherwise. The Company has not redeemed any of its securities during the period.

PUBLICATION ON WEBSITES

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

DESPATCH OF INTERIM REPORT

The interim report containing full details of the Company's unaudited interim results for the six months ended 30 September 2007 will be despatched to all its shareholders and be published on the aforesaid websites before 31 December 2007.

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.



The Group undertakes no obligation to revise or update any forward looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

On behalf of the Board of
REGENT PACIFIC GROUP LIMITED

James Mellon
Chairman

Directors of the Company:

James Mellon (*Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

David Comba#

Julie Oates#

Patrick Reid#

Mark Searle#

John Stalker*

Jayne Sutcliffe*

Dr Youzhi Wei*

Anderson Whamond*

* *Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 7 December 2007