Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575 31 August 2009

ANNOUNCEMENT

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

HIGHLIGHTS

- the return to profitability with corporate income over US$8.2 million, total comprehensive income of US$10.5 million and net earnings of US$3.7 million
- an interim dividend of HK$0.005 per share
- further strengthening of the Group's balance sheet with cash, listed investments and receivables of US$88 million and no debt
- a first half earnings contribution by Dapingzhang of US$4.1 million
- the restart of mining in March and the production in April of separate copper and zinc concentrates at Dapingzhang
- a commitment at Dapingzhang to increase production by over 75% from April 2010 (long-lead-time items have been purchased or committed to)
- the acquisition of strategic stakes in Polo Resources Limited, Kalahari Minerals plc, Bannerman Resources Limited and BC Iron Limited, giving the Group welcome exposure to uranium and iron ore

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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 unaudited results of the Group for the six months ended 30 June 2009, together with comparative figures for the six months ended 30 June 2008, as follows:

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2009

	Notes	(Unaudited) For the six months ended 30 June 2009 US$'000	30 June 2008 US$'000
Revenue/Turnover:	3		
Corporate investment income		826	2,132
Other income		538	1,490
Fair value gain/(loss)		6,842	(821)
Total income		8,206	2,801
Expenses:			
Employee benefit expenses		(4,863)	(4,690)
Rental and office expenses		(304)	(327)
Information and technology expenses		(193)	(201)
Marketing costs and commissions		(4)	(9)
Professional fees		(2,637)	(2,869)
Finance costs	5	(169)	(279)
Other operating expenses		(611)	(1,126)
Operating loss	4	(575)	(6,700)
Share of profits of associates		143	2,331
Share of profit of a jointly controlled entity		4,098	8,086
Profit before taxation		3,666	3,717
Taxation	6	-	-
Profit for the period		**3,666**	**3,717**
Other comprehensive income, including reclassification adjustments			
Available-for-sale financial assets		6,996	-
Exchange loss on translation of financial statements of foreign operations		(111)	(163)
Share of other comprehensive income of associates		7	909
Share of other comprehensive income of a jointly controlled entity		(11)	2,179
Other comprehensive income for the period, including reclassification adjustment and net of tax		6,881	2,925
Total comprehensive income for the period		**10,547**	**6,642**

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2009

	Notes	(Unaudited) For the six months ended 30 June 2009 US$'000	30 June 2008 US$'000
Profit for the period attributable to:			
Owners of the Company		3,726	4,008
Minority interests		(60)	(291)
		3,666	**3,717**
Total comprehensive income attributable to:			
Owners of the Company		10,592	7,044
Minority interests		(45)	(402)
		10,547	**6,642**
Earnings per share for profit attributable to the owners of the Company during the period (US cent):	8		
- Basic		0.09	0.09
- Diluted		N/A	0.09

Consolidated Statement of Financial Position
As at 30 June 2009

	Notes	(Unaudited) As at 30 June 2009 US$'000	(Audited) As at 31 December 2008 US$'000
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill		52,137	52,137
Exploration and evaluation assets		32,174	31,391
Property, plant and equipment		1,091	1,195
Interests in associates		17,197	17,363
Interest in a jointly controlled entity		31,898	34,295
Available-for-sale financial assets		26,544	7,386
		161,041	143,767
Current assets			
Cash and bank balances		18,707	57,399
Financial assets at fair value through profit and loss		17,252	-
Trade receivables	9	43	51
Loan receivables		4,038	2,888
Prepayments, deposits and other receivables		29,572	19,569
Derivative financial instruments		201	-
		69,813	79,907
Current liabilities			
Trade payables, accruals and other payables	10	(2,805)	(2,508)
Amounts due to minority shareholders		(43)	(38)
Deferred tax liability		(324)	(324)
Borrowings		(27)	(27)
		(3,199)	(2,897)
Net current assets		66,614	77,010
Total assets less current liabilities		227,655	220,777
Non-current liability			
Borrowings		(22)	(5,257)
Net assets		**227,633**	**215,520**
EQUITY			
Equity attributable to the Company's owners			
Share capital		39,486	38,948
Reserves		185,716	174,096
		225,202	213,044
Minority interests		2,431	2,476
Total equity		**227,633**	**215,520**

Notes:

1. General information and basis of preparation

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is at P O Box 309, Ugland House, Grand Cayman, KY1-1104, 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 Company's principal activity is investment holding, and the principal activities of the Group consist of exploration and mining of natural resources, and corporate investments.

The interim financial report has 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 ("**HKICPA**").

The accounting policies used in the preparation of the interim financial report are consistent with those used in the annual financial statements for the year ended 31 December 2008, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed in note 2 to the interim financial report.

The interim financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008.

2. Adoption of new or revised HKFRSs

In the current period, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKFRS 1 and HKAS 27 (Amendment)	Cost of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 2 (Amendment)	Share-based payment: vesting conditions and cancellations
HKFRS 8	Operating segments
HK(IFRIC) Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives
Various	Annual improvements to HKFRSs 2008

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

HKAS 1 (Revised 2007) - Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard.

HKAS 27 (Amendments) – Cost of an investment in a subsidiary

The amendment requires the investor to recognise dividends from a subsidiary, jointly controlled entity or associate in profit or loss irrespective of whether the distributions relate to the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

For the current interim period, the Company did not receive any dividends from its subsidiaries. The new accounting policy has been applied prospectively as required by the amendments to HKAS 27, and therefore no comparatives have been restated.

HKFRS 8 - Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

Annual improvements to HKFRSs 2008

In October 2008, the HKICPA issued its first annual improvements to HKFRSs which set out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. Of these, the amendment to HKAS 28 "Investments in associates" has changed the Group's accounting policies on allocation of impairment losses but did not have any impact on the current interim period results and financial position.

Impairment of investments in associates and jointly controlled entities accounted for under the equity method

The amendment clarifies that an investment in an associate accounted for under the equity method is a single asset for impairment testing purpose. Any impairment loss recognised by the investor after applying the equity method is not allocated to individual assets including goodwill included in the investment balance. Accordingly, any reversal of such impairment loss in subsequent period is recognised to the extent that the recoverable amount of the associate increases.

In prior year, the Group allocated the impairment loss initially to the goodwill included in the investment balance. According to the Group's accounting policies on goodwill, no reversal of impairment loss credited to the carrying amount of goodwill would be recognised in subsequent periods.

The new policy also applies to the Group's investment in the jointly controlled entity which is equity accounted for in the consolidated statement of financial position.

For the current interim period, there was no impairment loss on investments in associates and jointly controlled entities, and therefore the adoption of this new accounting policy had no impact on the financial statements in this interim period. The new accounting policy has been applied prospectively as permitted by the amendment and no comparatives have been restated.

3. Segment information

On adoption of HKFRS 8 “Operating segments”, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments.

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

Each of these reportable segments is managed separately as each of these product and service lines requires different resources as well as marketing approaches. The adoption of HKFRS 8 has not changed the identified operating segments for the Group compared to 2008 annual financial statements.

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the executive directors. The executive directors assess segment profit or loss using a measure of operating profit. The measurement policies the Group uses for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

There are no sales between the reportable segments.

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

For the six months ended 30 June 2009

	(Unaudited)					
	Coal mining US$'000	Coking coal US$'000	Metals mining US$'000	Corporate investment US$'000	Unallocated US$'000	Total US$'000
Revenue from external customers	-	-	-	826	-	826
Segment results	(1,480)	(9)	(2,839)	3,384	538	(406)
Finance costs						(169)
Operating loss						(575)
Share of profits of associates						143
Share of profit of a jointly controlled entity						4,098
Taxation						-
Profit for the period						3,666

For the six months ended 30 June 2008

	(Unaudited)					
	Coal mining US$'000	Coking coal US$'000	Metals mining US$'000	Corporate investment US$'000	Unallocated US$'000	Total US$'000
Revenue from external customers	-	-	-	2,132	-	2,132
Segment results	(2,570)	(7)	(1,934)	(3,400)	1,490	(6,421)
Finance costs						(279)
Operating loss						(6,700)
Share of profits of associates						2,331
Share of profit of a jointly controlled entity						8,086
Taxation						-
Profit for the period						3,717

	Coal mining US$'000	Coking coal US$'000	Metals mining US$'000	Corporate investment US$'000	Total US$'000
Segment assets					
-As at 30 June 2009 (unaudited)	80,334	5,228	16,591	53,062	155,215
-As at 31 December 2008 (audited)	80,936	4,908	9,507	69,279	164,630

4. Operating loss

	(Unaudited) For the six months ended 30 June 2009 US$'000	(Unaudited) For the six months ended 30 June 2008 US$'000
Operating loss is arrived at after charging:		
Auditors' remuneration	82	59
Depreciation on owned property, plant and equipment	143	114
Amortisation on exploration and evaluation assets	-	2
Operating lease rental on property and equipment	258	247
Share-based payment (equity and cash settled)	939	1,160
Loss on disposal of property, plant and equipment	-	6
Unrealised loss on financial assets at fair value through profit and loss	-	1,513
and crediting:		
Interest income on bank deposits and loan receivable	192	1,593
Net foreign exchange gain	271	310
Dividend income from available-for-sale financial assets	463	108
Dividend income from financial assets at fair value through profit and loss	-	121
Unrealised gain on derivative financial instruments	201	39
Unrealised gain on financial assets at fair value through profit and loss	3,311	-
Realised gain on disposal of derivative financial instruments	2,283	38
Realised gain on disposal of financial assets at fair value through profit and loss	62	615
Realised gain on disposal of available-for-sale financial assets	985	-

5. Finance costs

	(Unaudited) For the six months ended 30 June 2009 US$'000	(Unaudited) For the six months ended 30 June 2008 US$'000
Interest on hire purchase	2	-
Interest on redeemable convertible preference shares	167	279
	169	279

6. Taxation

No provision for Hong Kong or overseas profits tax has been made in the interim financial report as all the Group companies which are subject to such tax have sustained losses for taxation purposes for the period.

Share of associates' and a jointly controlled entity's taxation for the six months ended 30 June 2009 of US$4,000 (2008: US$108,000) and US$582,000 (2008: US$826,000) are included in the consolidated statement of comprehensive income as share of profits of associates and share of profit of a jointly controlled entity respectively.

7. Dividend

Dividend attributable to the interim period:

	(Unaudited) For the six months ended 30 June 2009 US$'000	(Unaudited) For the six months ended 30 June 2008 US$'000
Proposed interim dividend of HK$0.005 per share (2008: nil)	2,547	-

The interim dividend is declared and paid after the reporting date and has not been recognised as a liability at the reporting date.

8. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of US$3,726,000 (2008: US$4,008,000) and the weighted average number of ordinary shares of 3,940,368,938 (2008: 4,438,157,714) in issue during the period.

Diluted earnings per share for the six months ended 30 June 2009 was not presented because the impact of the exercise of the Company's outstanding share options was anti-dilutive.

The calculation of diluted earnings per share for the six months ended 30 June 2008 was based on the profit attributable to owners of the Company of US$4,008,000 and the weighted average of 4,567,266,960 ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share was calculated based on the weighted average of 4,438,157,714 ordinary shares in issue during the period plus the weighted average of 21,907,425 and 107,201,821 ordinary shares deemed to be issued at no consideration as if all the Company's share options and convertible bonds had been exercised and converted, respectively.

9. Trade receivables

At 30 June 2009 and 31 December 2008, the ageing analysis of trade receivables was as follows:

	(Unaudited) As at 30 June 2009 US$'000	(Audited) As at 31 December 2008 US$'000
1 to 3 months old	-	8
More than 3 months old but less than 12 months old	43	43
	43	51

The Group applies credit policies appropriate to the particular business circumstances concerned but generally requires outstanding amounts to be paid within 30 days of invoice.

10. Trade payables, accruals and other payables

At 30 June 2009 and 31 December 2008, the ageing analysis of trade payables was as follows:

	(Unaudited) As at 30 June 2009 US$'000	(Audited) As at 31 December 2008 US$'000
Due within 1 month or on demand	-	663
More than 6 months	115	95
Trade payables	115	758
Accruals and other payables	2,690	1,750
	2,805	2,508

Included in trade payables were those payables placed in trust accounts amounting to US$29,000 as at 30 June 2009 (31 December 2008: US$29,000).

REVIEW AND PROSPECTS

Main Activities

The Group's principal activities during the period were:

- Production of copper and zinc concentrates at Dapingzhang in Yunnan Province, China, a Sino-foreign joint venture of which the Group holds an indirect 40% interest.

- Exploration activities at Dapingzhang and also at Yinzishan in Yunnan Province, China, a Sino-foreign joint venture of which the Group holds an indirect 97.5% interest.

- Production of coke and related by products at West China Coking and Gas Company Limited ("**West China Coke**") chemical plant in Yunnan Province, China, a Sino-foreign joint venture of which the Group holds an indirect 25% interest.

- Development of the Ji Ri Ga Lang thermal coal project in Inner Mongolia, China, a Sino-foreign joint venture of which the Group holds an indirect 51% interest.

- Evaluation of other exploration and business development opportunities in China, Indonesia and elsewhere.

- Acquisition of strategic equity stakes in Polo Resources Limited, Kalahari Minerals plc, Bannerman Resources Limited and BC Iron Limited.

On 21 August 2009, the Group announced that it had entered into a share purchase agreement with Creative International (HK) Limited in respect of the intended sale of the Zhun Dong thermal coal project for US$35.14 million, before adjustment (if any). The share purchase agreement is conditional upon, *inter alia*, the passing of an ordinary resolution by the shareholders approving the sale (including the payment of the finder's fee) pursuant to the HK Listing Rules. The share purchase agreement has a long stop date of 31 December 2009.

Financial Results

The consolidated profit attributable to the owners of the Company for the six months ended 30 June 2009 was US$3.73 million (2008: US$4.01 million). Yunnan Simao Shanshui Copper Company Limited ("**YSSCCL**") recorded an overall profit of RMB 70 million (equivalent to US$10.24 million) for the six months to 30 June 2009 (2008: RMB 142.72 million or US$20.21 million).

The shareholders' equity increased by 5.71% to US$225.20 million as at 30 June 2009 from US$213.04 million as at 31 December 2008. The increase was mainly due to (i) the conversion of US$2 million redeemable convertible preference shares resulting in a total increase of share capital and share premium of US$1.97 million, (ii) the fair value gain of US$7 million on investments mainly due to the marked-to-market increase in the shares of Kalahari Minerals plc and Polo Resources Limited, (iii) the unrealised loss of US$0.13 million on foreign currency translation, (iv) purchase of shares of US$0.46 million held for the Group's long term incentive scheme, and (v) the profit of US$3.73 million for the six months ended 30 June 2009.

Review of Results and Operations

Yunnan Simao Shanshui Copper Company Limited

Safety
There were no lost time injuries since YSSCCL's incorporation to 30 June 2009.

Environment
There were no reportable environmental incidents in the period.

Mining, Production and Costs
Set out below are the mining, production and costs for the six months to 30 June 2009.

Table 1

Copper Production Six months ended June 09	Units		Copper - Zinc Production Six months ended June 09	Units	
Ore mined	t	177,217	Ore mined	t	167,920
Grade Cu	%	0.67	Grade Zn	%	1.78
			Grade Cu	%	1.18
Ore milled	t	211,868	Ore milled	t	124,242
Cu grade	%	0.65	Zn grade	%	2.65
			Cu grade	%	1.52
Cu recoveries	%	89.43	Zn recoveries	%	70.25
			Cu recoveries	%	80.50

Table 2

Concentrate Production and Sales Six months ended June 09	Units	
Production		
Copper concentrate	t	6,369
Copper – Zinc concentrate	t	12,590
Concentrate Sales		
Copper concentrate	t	5,529
Copper – Zinc concentrate	t	10,287
Contained Metal		
Cu	t	2,394
Zn	t	2,275
Au	oz	690
Ag	oz	47,103

Table 3

Operating Costs for six months to June 09 (Copper equivalent) All in US$'000 (HKFRS adjusted)	Half year to June 2009
Operating*	8,805
Transportation costs	650
By-product credit^	(825)
Total Cash Cost	8,630
Depreciation and amortisation#	1,950
Total Production Cost	10,580

~ 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 June 2009, a total of 345,137 tonnes of ore was mined. Mining was restarted in March 2009 with production of separate copper and concentrates resuming in April 2009.

During the half-year period, YSSCCL's operations have produced 6,369 tonnes of copper concentrate (2008: 8,413 tonnes), 12,590 tonnes of copper – zinc concentrate (2008: 18,113 tonnes) and have no production of zinc concentrate (2008: 30,070 tonnes). Contained metal for the half-year period was 2,394 tonnes copper (2008: 2,671 tonnes) and 2,275 tonnes zinc (2008: 22,993 tonnes). This produced revenue of RMB 83.51 million or US$12.22 million (2008: RMB 334.56 million or US$47.39 million).

Total cash costs for the six months ended 30 June 2009 were US$0.74 per lb copper equivalent (2008: US$0.41 per lb copper equivalent).

The average copper price and zinc price received in the six months ended 30 June 2009 were RMB 30,612 / tonne (approximately US$4,479 / tonne) and RMB 7,839 / tonne (approximately US$1,147 / tonne), respectively, which were 31.71% and 25% below 2008 results for the six months ended 30 June 2008.

The board of YSSCCL has approved the expansion of copper and zinc production at Dapingzhang by increasing mill throughput by over 75% from April 2010. Long-lead-time equipment has been purchased or committed to.

Exploration

YSSCCL has continued the near-mine exploration activity with the aim of expanding its resources. The Group has also continued its exploration activity at Yinzishan with the purpose of expanding its resource inventory.

West China Coking and Gas Company Limited

During the half-year period, West China Coke's operations have produced a total of 450,878 tonnes of coke, 33,193 tonnes of refined methanol, 13,763 tonnes of tar, 3,084 tonnes of ammonium sulphate and 3,968 tonnes of crude benzol. This produced revenue of RMB 533.23 million or US$78.03 million (2008: RMB 848.72 million or US$120.21 million) and a net loss of RMB 18.13 million or US$2.65 million (2008: profit of RMB 57.62 million or US$8.16 million). The average coke price and methanol price received in the six months ended 30 June 2009 was RMB 1,208 / tonne (approximately US$177 / tonne) and RMB 1,894 / tonne (approximately US$277 / tonne), respectively.

For the month of June, West China Coke returned to profitability, which was due to the strengthening of the coking coal and steel markets in China.

The Group will receive a dividend of RMB 2.16 million (approximately US$0.32 million) for the financial year ended 31 December 2008.

Ji Ri Ga Lang

The process is underway to convert the exploration licence to a fully operational mining licence and further progress has been made in this regard. On 16 July 2009, the Inner Mongolia Autonomous Region Development and Reform Commission issued a letter to Abagaqi Changjiang Mining Company Limited ("**ACMC**") that entrusted ACMC with the right to compile a general plan in respect of the development of the thermal coal mine at Ji Ri Ga Lang in accordance with the laws and regulations of the PRC. Accordingly, ACMC is liaising with the various institutes to complete the necessary reports for obtaining the mining licence.

Zhun Dong

On 21 August 2009, the Group announced that it had entered into a share purchase agreement with Creative International (HK) Limited in respect of the intended sale of the Zhun Dong thermal coal project for US$35.14 million, before adjustment (if any). The share purchase agreement is conditional upon, *inter alia*, the passing of an ordinary resolution by the shareholders approving the sale (including the payment of the finder's fee) pursuant to the HK Listing Rules. The share purchase agreement has a long stop date of 31 December 2009.

To consider the financial effects of the disposal on a standalone basis, the Group would expect to realise a net loss before expenses for the disposal of approximately US$26.92 million, calculated by deducting the consideration and the shareholder loans amount (but ignoring the cash and drilling adjustment, if any) from the value of the Zhun Dong project as at 30 June 2009, being US$62.06 million, comprising goodwill of approximately US$38 million and exploration and evaluation assets of approximately US$24.06 million. The net loss of approximately US$26.92 million realised from the disposal is a result of writing down the goodwill in full, which is a non cash item. The Company paid approximately US$26.06 million in cash for acquiring the Zhun Dong project, of which approximately US$22.12 million (excluding interest) comprises the shareholder loans, and injected a further approximately US$2.30 million in cash for undertaking certain exploration activities. In addition to paying cash, the Company also issued a number of consideration shares in respect of all of the then assets of Regent Coal (BVI) Limited ("**Regent Coal (BVI)**"), including people and goodwill associated with its assets and business, and not just the Zhun Dong project (which was only one of Regent Coal (BVI)'s assets). The goodwill component of the value of the Zhun Dong project, being approximately US$38 million, represents the excess of the cost of the investment over the Group's interest in the net fair value of the Zhun Dong project's identifiable assets, liabilities and contingent liabilities, less impairment. Therefore the Group will receive back a total net cash contribution of approximately US$6.78 million.

Regent Markets Group

Regent Markets Holdings Company Limited ("**Regent Markets**") has enjoyed a successful half year, with projected turnover for the half-year exceeding US$65 million, a 4.08% increase over the corresponding period in 2008. Net profit for the half year was US$1.72 million (2008: US$0.78 million). The company continues to lead the UK's fixed-odds financial betting sector and is consolidating this lead by laying emphasis on its website technology and client service.

Interim Dividend

The Directors have resolved to declare an interim dividend in respect of the six months ended 30 June 2009 of HK$0.005 per share (2008: nil).

Outlook

Market conditions are showing signs of improvement when compared with the conditions prevalent in the latter part of 2008. Copper prices on the Shanghai Futures Exchange have had a strong rally of 64% year to date, thanks to strong Chinese demand and a tight copper concentrate market, which is clearly buoyed by government stimulus spending as well as high levels of bank lending. Another significant contributing factor to this improvement has been progress in respect of supply chain destocking for copper and zinc within China and some early signs of restocking. In addition, there has been a broadly disciplined approach from many of the market participants in the metals and mining industry to match supply to demand. Our confidence in the sustainability of Chinese domestic demand growth through 2009 has increased, as it appears that the benefits of the Chinese Government's stimulus package are emerging into the real economy, notably in power construction and automobiles. In addition, although mixed, there are signs of stabilisation or even some growth emerging in the United States and Europe, whilst the outlook for Russia, fuelled by the higher oil price, appears to be turning.

With the rise of the price of copper and zinc, mining and production of separate copper and zinc concentrates restarted at Dapingzhang in March and April respectively. More importantly, Dapingzhang has brought back on-line the expansion of its throughput production which is expected to increase production by 75% from April 2010.

We have increasing confidence in our ability to enjoy and actively participate in a sustained general economic recovery in 2010, which we expect to be fuelled by government stimulus packages around the world and by a gradual easing of credit restrictions. However, some caution may be necessary as governments seek to dampen inflationary pressures that may arise.

We believe that the worst is behind us. Regent will continue to manage for medium to long term success, based on our proximity to key markets, our growth opportunities and our low costs. All of our current initiatives are directed towards underpinning the performance of the business, providing a solid platform for growth and delivering value for all our shareholders.

TRADING RECORD OVER LAST FIVE YEARS

	(Unaudited)	(Audited)				
	Six months ended 30 June	Year ended 31 December	Nine months ended 31 December	Year ended 31 March		
	2009 US$'000	2008 US$'000	2007 US$'000	2007 US$'000	2006 US$'000	2005 US$'000
Total income	8,206	6,142	2,598	3,684	3,722	3,602
Income less expenses	(406)	(13,912)	(4,695)	(2,981)	(5,312)	158
Impairment losses	-	(154,696)	-	-	-	-
Finance costs – interest on convertible bonds, redeemable convertible preference shares and hire purchase	(169)	(854)	(1,662)	(2,613)	(8)	-
Operating (loss)/profit	(575)	(169,462)	(6,357)	(5,594)	(5,320)	158
Share of profits/(losses) of associates	143	403	678	1,828	13,001	(42,043)
Share of profit of a jointly controlled entity	4,098	7,701	7,067	4,378	-	-
Profit/(Loss) before taxation	3,666	(161,358)	1,388	612	7,681	(41,885)
Taxation	-	(324)	-	-	-	(7)
Profit/(Loss) for the period/year	3,666	(161,682)	1,388	612	7,681	(41,892)
Minority interests	60	739	215	(30)	(5)	(438)
Profit/(Loss) attributable to owners of the Company	3,726	(160,943)	1,603	582	7,676	(42,330)

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

The Group recorded a profit after tax and minority interests of US$3.73 million for the six months ended 30 June 2009.

The jointly controlled entity and associates of the Group, Yunnan Simao Shanshui Copper Company Limited, Regent Markets Holdings Limited and West China Coking and Gas Company Limited contributed a profit of US$4.10 million, a profit of US$0.81 million and a loss of US$0.67 million respectively to the Group for the six months ended 30 June 2009. YSSCCL recorded a net profit of RMB 70 million (equivalent to US$10.24 million) for the six months ended 30 June 2009.

The fair value gain from investments which represented the realised profit from trading of forex and commodities and the unrealised gain on listed securities for the six months ended 30 June 2009 was US$6.84 million.

The redeemable convertible preference shares were redeemed for cash in the amount of US$3.5 million on 25 June 2009 and consequently no further interest payments are due.

The Group continued to monitor its operating costs closely. The finance cost represented the interest expense of the redeemable convertible preference shares and hire purchase amounting to US$0.17 million for the six months ended 30 June 2009.

The main elements of the profit are analysed as follows:

	US$'million
Share of profit from YSSCCL	$ 4.10
Share of profit from Regent Markets	$ 0.81
Share of loss of West China Coke	$ (0.67)
Coal mining	$ (1.43)
Metals mining	$ (2.84)
Corporate investment	$ 3.38
Others	$ 0.55
Finance cost	$ (0.17)
Total profit attributable to shareholders	$ 3.73

BALANCE SHEET

Shareholders' equity increased by 5.71% to US$225.20 million as at 30 June 2009 from US$213.04 million as at 31 December 2008. The increase was mainly due to (i) the conversion of US$2 million redeemable convertible preference shares resulting in a total increase of share capital and share premium of US$1.97 million, (ii) the fair value gain of US$7 million on available-for-sale financial assets, (iii) the unrealised loss of US$0.13 million on foreign currency translation, (iv) purchase of shares of US$0.46 million in share held for share award scheme, and (v) the profit of US$3.73 million for the six months ended 30 June 2009.

The investments in YSSCCL of US$31.90 million, Regent Markets of US$3.25 million and West China Coke of US$13.95 million accounted for 14.17%, 1.44% and 6.19% of the shareholders' equity respectively. The Group's assets comprised: (i) goodwill of US$52.14 million, (ii) exploration and evaluation assets of US$32.17 million, (iii) cash of US$18.71 million, (iv) listed and unlisted investments of US$43.80 million, and (v) other assets and receivables of US$34.95 million.

The Group's liabilities comprised payables and accruals of US$3.22 million.

FUTURE FUNDING

As at 30 June 2009, the Group had US$18.71 million cash or 8.31% of its total shareholders' equity, which does not take into account the Group's holding of listed securities that amounted to US$43.18 million.

The Company's subsidiaries, associates and jointly controlled entity may require funding as their businesses develop. It is expected that bulk of such funding will be obtained from the Group's own assets.

MANAGEMENT RISK

The most significant risk affecting the profitability and viability in respect of the Group is the continued success and revenue derived from its 40% interests in YSSCCL, a Sino-foreign equity joint venture enterprise that produces copper and zinc concentrates with gold and silver credits. There are also risks affecting Group's profitability and viability in 2009 in respect of the Group's interest in ACMC and West China Coke.

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend in respect of the six months ended 30 June 2009 of HK$0.005 per share (2008: nil), payable on **Friday, 30 October 2009** in cash, either in Hong Kong dollars or in United States dollars at the exchange rate quoted by Citibank NA, Hong Kong at **4:00 pm (Hong Kong time) on Wednesday, 30 September 2009**, to those shareholders whose names are recorded on the Principal or Branch Register of Members of the Company on **Wednesday, 30 September 2009**.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from **Monday, 28 September 2009 to Wednesday, 30 September 2009, both days inclusive**, during which period no transfers of shares will be effected. In order for shareholders to qualify for the interim dividend, all completed and stamped transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Tengis Limited at 26 Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration **not later than 4:30 pm (Hong Kong time) on Friday, 25 September 2009**.

ELECTION BY SHAREHOLDERS

It is expected that an election form (the "**Election Form(s)**") will be despatched to shareholders on **Friday, 2 October 2009** for them to elect the currency (Hong Kong dollars or United States dollars) in which they wish to receive their dividend. In order for their election to be applicable to the interim dividend, shareholders are required to return their Election Forms to Tricor Tengis Limited at the above address **not later than 4:00 pm (Hong Kong time) on Friday, 23 October 2009**.

Those shareholders who do not have their Election Form properly completed and returned to Tricor Tengis Limited by the designated time will only be entitled to receive their interim dividend in the currency indicated in the last election form they returned to Tricor Tengis Limited or, if no form was ever returned, in the currency in which their last dividend was paid. New shareholders registered after the collection of the election form in respect of the last dividend paid by the Company who do not return the Election Form will receive the interim dividend in Hong Kong dollars (if they have a Hong Kong registered address on the Company's Registers of Members) or in United States dollars (if they have an overseas registered address on the Company's Registers of Members).

Dividend cheques in relation to the interim dividend are expected to be despatched at the risk of those entitled thereto on or about **Friday, 30 October 2009**.

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 is in compliance of all code provisions in the Code on CG Practices.

The Company is committed to high standards of corporate governance, for which the Directors are accountable to the Company, and 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 company 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 the Code on CG Practices during the six months ended 30 June 2009.

REVIEW BY THE AUDIT COMMITTEE

The interim financial report of the Company for the six months ended 30 June 2009 has been reviewed by the audit committee of the Company (the "**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 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. 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 at the Company's website: www.regentpac.com.

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

The Company did not repurchase, sell or redeem any of its listed securities during the six months ended 30 June 2009 or subsequent to the period 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 INTERIM REPORT

The interim report containing full details of the Company's unaudited interim results for the six months ended 30 June 2009 will be despatched to all its shareholders and be published on the aforesaid websites before 30 September 2009.

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)*
Clara Cheung
David Comba#
Julie Oates#
Mark Searle#
Jayne Sutcliffe*

* *Non-Executive Directors*
\# *Independent Non-Executive Directors*

Hong Kong, 31 August 2009