



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with limited liability)

Interim Report 2004

Regent Pacific Group Limited

RESULTS

The directors (the “**Directors**” or the “**Board**”) of Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) announce the unaudited results of the Group for the six months ended 30 September 2004, together with comparative figures for the corresponding period ended 30 September 2003, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2004

		(Unaudited)	
		For the six months ended	
		30 September	
	Note	2004 US\$'000	2003 US\$'000
Turnover:			
Asset management and corporate finance	2	324	766
Corporate investment income and net realised and unrealised gains and losses on investments		166	841
Internet retailing		—	1
Other revenues		29	1,040
		519	2,648
Expenses:			
Staff costs		(1,162)	(1,474)
Rental and office expenses		(94)	(178)
Information and technology expenses		(108)	(158)
Marketing costs and commissions		(17)	(9)
Professional fees		(211)	(111)
Investment advisory fee		(104)	—
Other operating expenses		(106)	(180)
		(1,283)	538
Operating (loss)/profit from ordinary activities	3	(1,283)	538
Share of (losses)/profits of associates		(12,659)	2,226
		(13,942)	2,764
(Loss)/Profit before taxation		(13,942)	2,764
Taxation	4	(314)	(272)
		(14,256)	2,492
(Loss)/Profit after taxation		(14,256)	2,492
Minority interests		—	(7)
		(14,256)	2,485
Net (loss)/profit attributable to shareholders		(14,256)	2,485
Dividend	5	—	3,501
(Loss)/Earnings per share (US cent)	6		
— Basic		(1.20)	0.21
— Diluted		N/A	0.21

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2004

		(Unaudited) As at 30 September 2004 US\$'000	(Audited) As at 31 March 2004 US\$'000
	<i>Note</i>		
Non-current assets:			
Fixed assets		56	25
Investments in associates		62,949	92,392
Investments in securities	7	3,881	3,922
Due from an associate		499	495
		<u>67,385</u>	<u>96,834</u>
Current assets:			
Cash and bank balances	8	2,760	703
Investments in securities	7	83	102
Accounts receivable	9	165	212
Prepayments, deposits and other receivables		354	526
		<u>3,362</u>	<u>1,543</u>
Current liabilities:			
Accounts payable, accruals and other payables	10	(421)	(1,098)
Net current assets		<u>2,941</u>	<u>445</u>
Net assets		<u>70,326</u>	<u>97,279</u>
Share capital	11	11,936	11,904
Reserves		58,379	85,365
Shareholders' equity		<u>70,315</u>	<u>97,269</u>
Minority interests		11	10
Capital and reserves		<u>70,326</u>	<u>97,279</u>

Regent Pacific Group Limited

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2004

	(Unaudited)	
	For the six months ended	
	30 September	
	2004	2003
	US\$'000	US\$'000
Net cash outflow from operating activities	(1,894)	(1,228)
Net cash inflow from investing activities	36,212	4,079
Net cash (outflow)/inflow from financing activities	(32,401)	9
Increase in cash and cash equivalents	1,917	2,860
Cash and cash equivalents at the beginning of the period	703	2,114
Effects of currency fluctuations	140	(278)
Cash and cash equivalents at the end of the period	2,760	4,696
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	2,760	4,696

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2004

(Unaudited)

	Share capital	Accumulated losses	Share premium	Asset revaluation reserve	Capital redemption reserve	Foreign currency exchange reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2004							
At 1 April 2004, as previously reported	11,904	(42,412)	114,309	3,735	1,204	8,529	97,269
Derecognition of negative goodwill	—	20,418	—	—	—	—	20,418
At 1 April 2004, as restated	11,904	(21,994)	114,309	3,735	1,204	8,529	117,687
Foreign currency translation adjustment	—	—	—	—	—	(715)	(715)
Disposal of property	—	3,735	—	(3,735)	—	—	—
Exercise of share options	32	—	34	—	—	—	66
Dividend	—	—	(32,467)	—	—	—	(32,467)
Loss for the period	—	(14,256)	—	—	—	—	(14,256)
At 30 September 2004	11,936	(32,515)	81,876	—	1,204	7,814	70,315

(Unaudited)

	Share capital	Accumulated losses	Share premium	Asset revaluation reserve	Capital redemption reserve	Foreign currency exchange reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2003							
At 1 April 2003	11,869	(44,057)	114,263	3,735	1,204	(1,822)	85,192
Foreign currency translation adjustment	—	—	—	—	—	9,420	9,420
Exercise of warrants	—	—	9	—	—	—	9
Profit for the period	—	2,485	—	—	—	—	2,485
At 30 September 2003	11,869	(41,572)	114,272	3,735	1,204	7,598	97,106

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

I. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed interim financial statements have been prepared in accordance with the requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance of Statement of Standard Accounting Practice 25 "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 2004.

The same accounting policies adopted in the financial statements for the year ended 31 March 2004 have been applied to these condensed interim financial statements except that the Group has changed certain of its accounting policies following the early adoption of Hong Kong Financial Reporting Standard ("HKFRS") 3 "Business Combination" and Hong Kong Accounting Standard ("HKAS") 36 "Impairment of Assets".

The early adoption of HKFRS 3 and HKAS 36 resulted in an increase in retained earnings of approximately US\$20.4 million at 1 April 2004.

2. SEGMENTED INFORMATION

An analysis of the Group's revenue and results for the period by business segments is as follows:

For the six months ended 30 September 2004

(Unaudited)

	Asset management <i>US\$'000</i>	Corporate finance <i>US\$'000</i>	Corporate investment <i>US\$'000</i>	Internet retailing <i>US\$'000</i>	Inter- segment elimination <i>US\$'000</i>	Others <i>US\$'000</i>	Consolidated <i>US\$'000</i>
Revenue from external customers	353	—	166	—	—	—	519
Inter-segment revenue	1	—	1	—	(2)	—	—
	<u>354</u>	<u>—</u>	<u>167</u>	<u>—</u>	<u>(2)</u>	<u>—</u>	<u>519</u>
Segment results	(574)	(58)	(646)	(3)	—	(2)	(1,283)
Unallocated operating expenses							—
Loss from operations							(1,283)
Share of losses of associates							(12,659)
Taxation							(314)
Minority interests							—
Net loss attributable to shareholders							<u>(14,256)</u>

For the six months ended 30 September 2003

(Unaudited)

	Asset management <i>US\$'000</i>	Corporate finance <i>US\$'000</i>	Corporate investment <i>US\$'000</i>	Internet retailing <i>US\$'000</i>	Inter- segment elimination <i>US\$'000</i>	Others <i>US\$'000</i>	Consolidated <i>US\$'000</i>
Revenue from external customers	726	80	1,841	1	—	—	2,648
Inter-segment revenue	1,294	—	1	—	(1,295)	—	—
	<u>2,020</u>	<u>80</u>	<u>1,842</u>	<u>1</u>	<u>(1,295)</u>	<u>—</u>	<u>2,648</u>
Segment results	(536)	(550)	1,632	(8)	—	—	538
Unallocated operating expenses							—
Profit from operations							538
Share of profits of associates							2,226
Taxation							(272)
Minority interests							(7)
Net profit attributable to shareholders							<u>2,485</u>

Regent Pacific Group Limited

3. OPERATING (LOSS)/PROFIT FROM ORDINARY ACTIVITIES

	(Unaudited)	
	For the six months ended	
	30 September	
	2004	2003
	US\$'000	US\$'000
After charging:		
Auditors' remuneration	61	28
Bad debts written off	38	—
Depreciation on owned fixed assets	11	30
Loss on disposal of fixed assets	10	—
Operating lease rental on property	62	95
Net unrealised loss on current other investments*	—	3
Net unrealised loss on non-current other investments*	138	—
Staff costs	1,162	1,474
	<hr/>	<hr/>
After crediting:		
Net realised profit on disposal of current other investments*	88	84
Net realised profit on disposal of non-current other investments*	182	—
Interest income on bank deposits*	2	3
Dividend income from investments*	—	2
Net unrealised profit on current other investments*	31	—
Net unrealised profit on non-current other investments*	—	422
	<hr/>	<hr/>

* Included in turnover

4. 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.

The amount of taxation charged to the consolidated income statement represents:

	(Unaudited)	
	For the six months ended	
	30 September	
	2004	2003
	US\$'000	US\$'000
Group:		
— Overseas taxation	—	—
— Share of tax of associates	314	272
	<hr/>	<hr/>
Taxation charge	314	272
	<hr/>	<hr/>

5. DIVIDEND

	(Unaudited)	
	For the six months ended	
	30 September	
	2004	2003
	US\$'000	US\$'000
Special interim, paid, of Nil (2003: 0.295 US cent) per share	—	3,501

6. (LOSS)/EARNINGS PER SHARE

- a. The calculation of basic (loss)/earnings per share is based on the net loss attributable to shareholders for the period of US\$14,256,000 (2003: net profit of US\$2,485,000) and on the weighted average of 1,187,955,402 (2003: 1,186,915,193) shares of the Company in issue during the period.
- b. No diluted loss per share is presented for the period ended 30 September 2004 as the outstanding share options are anti-dilutive. The diluted earnings per share for the period ended 30 September 2003 was based on the net profit attributable to shareholders for the period of US\$2,485,000 and on 1,189,290,812 shares, which is the weighted average number of shares in issue during the period of 1,186,915,193 shares plus the weighted average number of 2,375,619 shares deemed to be issued at no consideration if the Company's outstanding share options had been exercised.

7. INVESTMENTS IN SECURITIES

The Group's investments can be analysed as follows:

Non-current investments:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2004	2004
	US\$'000	US\$'000
Investment securities, at cost:		
Club debentures	19	19
Other investments, at fair value:		
Listed equity securities		
— in Hong Kong	365	365
— outside Hong Kong	458	306
Unlisted equity securities*	3,039	3,232
	3,862	3,903
	3,881	3,922

Regent Pacific Group Limited

Current investments:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2004	2004
	US\$'000	US\$'000
Other investments, at fair value:		
Listed equity securities – outside Hong Kong	83	—
Unlisted equity securities	—	102
	<u>83</u>	<u>102</u>

All the above other investments are in corporate entities.

* Included in the Group's unlisted equity securities was a close-ended fund managed by Regent Fund Management (Asia) Limited (formerly iRegent Fund Management (Asia) Limited), a wholly-owned subsidiary of the Company.

8. CASH AND BANK BALANCES

Cash and bank balances of the Group can be analysed as follows:

	(Unaudited)	(Audited)
	As at	As at
	30 September	31 March
	2004	2004
	US\$'000	US\$'000
Cash and balances with banks	2,494	431
Money at call and short notice	266	272
Total cash and bank balances	<u>2,760</u>	<u>703</u>

A subsidiary of the Group maintains trust accounts with banks as part of its normal business transactions. As at 30 September 2004, included in the Group's cash and balances with banks were trust accounts of US\$28,000 (31 March 2004: US\$28,000).

9. ACCOUNTS RECEIVABLE

	(Unaudited) As at 30 September 2004 <i>US\$'000</i>	(Audited) As at 31 March 2004 <i>US\$'000</i>
1 to 3 months old	143	151
More than 3 months old but less than 12 months old	22	61
Total accounts receivable	<u>165</u>	<u>212</u>

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. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	(Unaudited) As at 30 September 2004 <i>US\$'000</i>	(Audited) As at 31 March 2004 <i>US\$'000</i>
Due within 1 month or on demand	3	36
Due after 3 months but within 6 months	—	40
More than 6 months	85	18
Total accounts payable	<u>88</u>	<u>94</u>
Accruals and other payables	333	1,004
Total accounts payable, accruals and other payables	<u>421</u>	<u>1,098</u>

Included in accounts payable were those payables placed in trust accounts which amounted to US\$28,000 as at 30 September 2004 (31 March 2004: US\$28,000).

Regent Pacific Group Limited

II. SHARE CAPITAL

	(Unaudited) As at 30 September 2004 US\$'000	(Audited) As at 31 March 2004 US\$'000
<i>Authorised:</i>		
2,000,000,000 ordinary shares of US\$0.01 each	20,000	20,000
550,000,000 unclassified shares of US\$0.01 each, which may be issued as ordinary shares or as non-voting convertible deferred shares of US\$0.01 each	5,500	5,500
	<u>25,500</u>	<u>25,500</u>
<i>Issued and fully paid:</i>		
1,106,900,089 (31 March 2004: 1,103,720,089) ordinary shares of US\$0.01 each	11,069	11,037
86,728,147 non-voting convertible deferred shares of US\$0.01 each	867	867
	<u>11,936</u>	<u>11,904</u>

During the six months ended 30 September 2004, an aggregate of 3,180,000 new ordinary shares in the Company were issued and allotted for a total consideration of HK\$508,800 (approximately US\$65,230), being HK\$0.16 per share, upon exercise of options under the Employee Share Option Scheme of the Company (referred to below in this note).

No additional ordinary shares were issued and allotted subsequent to 30 September 2004 and prior to the date of this report.

Rights of the Deferred Shares

The non-voting convertible deferred shares of US\$0.01 each in the capital of the Company (the “Deferred Share(s)”) shall rank for dividends pari passu to ordinary shares of the Company from time to time in issue. Each Deferred Share shall confer on the holder thereof pari passu rights to ordinary shares on a winding up or other return of capital.

Each Deferred Share carries a conversion right to convert into one ordinary share of US\$0.01 in the capital of the Company commencing six months from the date of issue (9 June 2000). The shares issued and allotted upon conversion of the Deferred Shares (the “Conversion Shares”) shall, when issued, rank pari passu in all respects with all other ordinary shares of the Company in issue on the date of conversion.

No application was made for the listing of the Deferred Shares on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange”). However, application has been made to the HK Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Holders of the Deferred Shares are entitled to receive notices of the general meetings of the Company but are not entitled to attend and vote thereat. The Deferred Shares are transferable with the prior written consent of the Directors of the Company and with prior notice to the HK Stock Exchange.

During the six months ended 30 September 2004, no Deferred Shares were converted into ordinary shares (2003: Nil). No Deferred Shares were converted into ordinary shares subsequent to 30 September 2004 and prior to the date of this report.

Share options

a. Share Option Scheme (2002)

A new share option scheme, named "Share Option Scheme (2002)" (the "Share Option Scheme (2002)"), was adopted with shareholders' approval at the Company's annual general meeting held on 15 November 2002. The scheme shall continue in force until the tenth anniversary of its commencement date, which will be 15 November 2012.

As at 1 April 2004, no options were outstanding under the Share Option Scheme (2002) (1 April 2003: Nil). During the six months ended 30 September 2004, options in respect of an aggregate of 21,400,000 ordinary shares of US\$0.01 each in the Company were granted on 9 September 2004, entitling the holders to subscribe, in stages, one-third of the number of shares subject to the option at each of the first, second and third anniversary dates after the date of grant at the exercise price of HK\$0.266 per share (2003: Nil). Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of grant. All entitlements of the option then remain unexercised will lapse. Amongst those, options in respect of an aggregate of 14,500,000 shares were granted to an executive Director and the Chief Executive Officer of the Company, and options in respect of the remaining 6,900,000 shares were granted to full-time employees of the Group (excluding the Directors of the Company).

The closing price of the shares of the Company immediately before the date on which the options were granted during the period under review was HK\$0.27.

None of the outstanding options were vested or cancelled or lapsed during the period. Accordingly, as at 30 September 2004 there were outstanding options entitling the holders to subscribe, in stages, for an aggregate of 21,400,000 ordinary shares at the exercise price of HK\$0.266 per share (2003: Nil), representing 1.93% (2003: Nil) of the Company's then issued voting share capital and 1.90% (2003: Nil) of the enlarged voting share capital. All such outstanding options were not vested (2003: Nil). Exercise in full of the outstanding options would result in the issue of 21,400,000 additional ordinary shares for aggregate proceeds, before expenses, of HK\$5,692,400 (approximately US\$729,795).

Subsequent to 30 September 2004, an option in respect of 800,000 shares lapsed upon the resignation of a full-time employee of the Group. Accordingly, as at the date of this interim report, there are outstanding options entitling the holders to subscribe, in stages, for an aggregate of 20,600,000 ordinary shares at the exercise price of HK\$0.266 per share. All such outstanding options are not vested. Exercise in full of the outstanding options would result in the issue of 20,600,000 additional ordinary shares for aggregate proceeds, before expenses, of HK\$5,479,600 (approximately US\$702,513).

Particulars of the options granted to and held by the Directors and the Chief Executive Officer are set out in detail under the section headed "Directors' Interests in Securities and Options" in this interim report. No options were granted to or held by any associates of the Directors or the Chief Executive Officer of the Company at any time during the period under review or at the date of this interim report.

No options were granted to or held by any substantial shareholder of the Company, as referred to in the section headed "Substantial Shareholders" in this report, or their respective associates, or suppliers of goods and services of the Company or other participants at any time during the period under review or at the date of this interim report. No participants were granted with options (including both exercised and outstanding options) in respect of an aggregate number of shares in the Company which was in excess of the individual limit referred to in Rule 17.03(4) of The Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules").

b. Employee Share Option Scheme

Following the adoption of the Share Option Scheme (2002) referred to in paragraph (a) above, the Company's employee share option scheme (the "Employee Share Option Scheme"), which was approved by the shareholders on 24 July 1996 (and was deemed to have commenced on 15 July 1994), as amended on 27 May 1998, was terminated. However, its provisions remain in full force and effect to the extent necessary to give effect to the exercise of any options granted under such scheme prior to the date of such termination. Therefore, no new options were granted under the Employee Share Option Scheme during the period under review.

Options currently outstanding under the Employee Share Option Scheme were granted on various dates and with various vesting schedules. Certain of the outstanding options entitle the holders to exercise the whole of the option at any time after the third anniversary date of the date of grant of the respective options but within 60 months from the date of grant. Other options, however, entitle the holders to subscribe for one-third of the number of shares subject to the option at each of the first, second and third anniversary dates after the date of grant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 60 months from the date of grant. All entitlements of the option then remain unexercised will lapse.

As at 1 April 2004, under the Employee Share Option Scheme there were outstanding options entitling the holders to subscribe, in stages in accordance with their respective vesting schedules, for an aggregate of 6,063,333 (1 April 2003: 13,600,000) ordinary shares of US\$0.01 each in the Company at exercise prices ranging from HK\$0.16 to HK\$1.40 per share, amongst which options in respect of 4,180,002 shares or 68.94% (1 April 2003: 6,466,662 shares or 47.55%) were vested. During the six months ended 30 September 2004, no options were granted (2003: Nil) or cancelled (2003: Nil). Vested options in respect of an aggregate of 3,180,000 shares were exercised at HK\$0.16 per share (2003: Nil). Unvested and expired options in respect of an aggregate of 2,583,333 shares (2003: 2,016,666 shares) lapsed. Accordingly, as at 30 September 2004, there were outstanding options entitling the holders to subscribe for an aggregate of 300,000 ordinary shares (2003: 11,583,334 shares) at exercise prices ranging from HK\$1.06 to HK\$1.40 per share, representing 0.03% (2003: 1.05%) of the Company's then issued voting share capital and 0.03% (2003: 1.04%) of the enlarged voting share capital. All such outstanding options (2003: options in respect of 8,966,669 shares or 77.41%) were vested. Exercise in full of the outstanding options would result in the issue of 300,000 additional ordinary shares for aggregate proceeds, before expenses, of HK\$352,000 (approximately US\$45,128).

Subsequent to 30 September 2004, an unexercised option in respect of 100,000 shares at an exercise price of HK\$1.40 per share lapsed upon expiry of the exercise period. Accordingly, as at the date of this interim report, there is an outstanding and vested option entitling its holder to subscribe for 200,000 ordinary shares at an exercise price of HK\$1.06 per share. Exercise in full of the outstanding option would result in the issue of 200,000 additional ordinary shares for aggregate proceeds, before expenses, of HK\$212,000 (approximately US\$27,180).

Particulars of the options held under the Employee Share Option Scheme during the period by various participants are as follows:

i. Directors, Chief Executive and substantial shareholders

As at 1 April 2004, there were outstanding options in respect of an aggregate of 2,500,000 ordinary shares held by a Director, who is the Chief Executive Officer of the Company, excluding the outstanding options held by Karin Schulte (who resigned as a Director of the Company on 12 January 2004 but remained as a full-time employee of the Group until 8 April 2004) as at 1 April 2004 in respect of an aggregate of 2,583,333 shares which are included in the balance set out under sub-paragraph (iii) below headed "Full-time employees". During the six months ended 30 September 2004, no options were granted or cancelled or lapsed. The Chief Executive Officer of the Company exercised all rights under his outstanding and vested options and subscribed for an aggregate 2,500,000 shares in the Company at HK\$0.16 per share. The closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$0.45. Accordingly, as at 30 September 2004 and as at the date of this interim report, there were no outstanding options held by the Directors or the Chief Executive Officer of the Company.

Particulars of the options granted to and held by the Directors and the Chief Executive Officer are set out in detail under the section headed "Directors' Interests in Securities and Options" in this interim report. No options were granted to or held by any associates of the Directors or the Chief Executive Officer of the Company at any time during the period under review or at the date of this interim report.

No options were granted to or held by any substantial shareholder of the Company, as referred to in the section headed "Substantial Shareholders" in this report, or their respective associates at any time during the period under review or at the date of this interim report.

ii. Participants in excess of individual limit

No participants were granted with options (including both exercised and outstanding options) in respect of an aggregate number of shares in the Company which was in excess of the individual limit referred to in Rule 17.03(4) of the HK Listing Rules.

iii. Full-time employees

As at 1 April 2004, there were outstanding options entitling full-time employees of the Group (excluding the Directors of the Company) to subscribe, in stages from the respective dates of grant for a period of 60 months, for an aggregate of 3,563,333 ordinary shares in the Company at exercise prices ranging from HK\$0.16 to HK\$1.40 per share, including the outstanding options then held by Karin Schulte (who resigned as a Director of the Company on 12 January 2004 but remained as a full-time employee of the Group until 8 April 2004) in respect of an aggregate of 2,583,333 shares which are excluded from the balance set out under sub-paragraph (i) above headed "Directors, Chief Executive and Substantial Shareholders". During the six months ended 30 September 2004, no options were granted or cancelled. Vested options in respect of 680,000 shares were exercised at HK\$0.16 per share. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$0.383. Unexercised and unvested options of Karin Schulte in respect of an aggregate of 2,583,333 shares lapsed on 8 April 2004 when she ceased to be an eligible participant of the Employee Share Option Scheme. Accordingly, as at 30 September 2004, there were outstanding and vested options entitling full-time employees of the Group (excluding the Directors of the Company) to subscribe for an aggregate of 300,000 ordinary shares in the Company at exercise prices ranging from HK\$1.06 to HK\$1.40 per share.

Subsequent to 30 September 2004, an unexercised option in respect of 100,000 shares at an exercise price of HK\$1.40 per share lapsed upon expiry of the exercise period. Accordingly, as at the date of this interim report, there is an outstanding and vested option entitling a full-time employee of the Group (excluding the Directors of the Company) to subscribe for 200,000 ordinary shares in the Company at an exercise price of HK\$1.06 per share.

iv. Suppliers of goods and services

No options were granted to or held by suppliers of goods and services of the Company at any time during the period under review or at the date of this interim report.

v. Other participants

No options were granted to or held by participants other than those referred to in sub-paragraphs (i) to (iv) above at any time during the period under review or at the date of this interim report.

Whenever options are granted, the Directors make a valuation of the options granted under the share option schemes under a modified Black Scholes option pricing model. This calculates a theoretical valuation assuming that the options involved are freely tradable.

Within this model, the volatility of the Company's share price is measured over the 260 trading days prior to the grant of options. It is further assumed that the risk-free interest rate ruling is 4% per annum, that no dividends will be paid and that the options will not lapse prior to the latest exercise date.

12. OFF BALANCE SHEET EXPOSURES

Derivatives

At 30 September 2004, there were no outstanding forwards contracts (2003: US\$11,197,000), but there were outstanding futures contracts amounting to US\$421,000 (2003: US\$379,000) undertaken by the Group in the equity market.

A realised profit of US\$34,000 (2003: US\$7,000) and a realised loss of US\$12,000 (2003: US\$56,000) were made from forwards and futures trading respectively during the period. The Group recorded an unrealised profit of US\$3,000 (2003: US\$9,000) from futures trading as at the balance sheet date.

In the course of the Group's normal trading in derivatives, margin deposits of varying amounts of cash are held by the Group's brokers. As at 30 September 2004, the amount of these margin deposits was US\$73,000 (2003: US\$332,000).

Lease commitments

	(Unaudited) As at 30 September 2004 US\$'000	(Audited) As at 31 March 2004 US\$'000
At 30 September 2004, the total future minimum lease payments under non-cancellable operating leases are payable as follows:		
Property:		
— within 1 year	125	112
— in the 2nd to 5th year, inclusive	148	186
	<u>273</u>	<u>298</u>
Plant and equipment:		
— within 1 year	1	2
— in the 2nd to 5th year, inclusive	—	—
	<u>1</u>	<u>2</u>

Capital commitments

The Company has no capital commitments at 30 September 2004.

13. MATERIAL RELATED PARTY TRANSACTIONS

The following is a summary of material related party contracts or transactions of the Group during the period. All such transactions were entered into in the ordinary course of business of the Group.

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

- (1) A shareholders' agreement dated 15 May 2002 (the "KOL Shareholders' Agreement") was entered into between (a) the Company and (b) The State of Wisconsin Investment Board ("SWIB") relating to Bridge Investment Holding Limited ("BIH", then known as KoreaOnline Limited), a 40.2% owned associate of the Company. The KOL Shareholders' Agreement superseded the share transfer agreement dated 15 October 1999.

On 1 May 2003, (i) the Company; (ii) SWIB; and (iii) BIH entered into a new shareholders' agreement regarding the shareholdings of SWIB and the Company in BIH (the "BIH Shareholders' Agreement"). Amongst other things, the Company, SWIB and BIH agreed in the BIH Shareholders' Agreement to explore ways in which to realise the investment of the Company and SWIB in BIH in the most effective and profitable manner. The BIH Shareholders' Agreement superseded the KOL Shareholders' Agreement.

SWIB currently holds a 7.46% interest in the total issued voting share capital of the Company and a 26.8% interest in the total issued share capital of BIH.

- (2) On 24 March 2003, an operational support agreement was entered into between (a) Regent Financial Services Limited, an indirectly wholly-owned subsidiary of the Company, as service provider and (b) BIH relating to the provision of a range of accounting and other related services by Regent Financial Services Limited to BIH at fixed monthly fee of US\$2,000, which was increased to US\$5,000 with effect from 1 March 2004 pursuant to a side letter dated 1 March 2004.

An aggregate of US\$30,000 was received during the six months ended 30 September 2004 and US\$10,000 was received subsequent to the period end date and prior to the date of this interim report.

14. POST BALANCE SHEET EVENTS

There are no material post balance sheet events which have not been accounted for or detailed elsewhere in this report.

15. CONTINGENT LIABILITIES

The Group was not involved in any material litigation or disputes during the six months ended 30 September 2004, save for those disclosed in the BIH interim report.

REVIEW AND PROSPECTS

The Group recorded a loss attributable to shareholders of US\$14.3 million (2003: profit of US\$2.5 million) for the six months ended 30 September 2004, representing a loss per share of 1.20 US cents (2003: earnings per share of 0.21 US cent). The loss was mainly attributable to the Group's share of loss after tax of US\$13.5 million from its associate, Bridge Investment Holding Limited ("BIH"). This loss at BIH was mainly due to significant one off expenses being incurred and a change of accounting policy concerning goodwill and negative goodwill, which had a positive effect on the Group's shareholders' equity.

BIH recorded a loss attributable to shareholders of US\$33.6 million for the six-month period ended 30 September 2004. A further associate of the Group, Regent Markets Holdings Limited, has contributed a share of profit of US\$0.5 million to the Group for the six-month period ended 30 September 2004.

The revenue of the corporate investment business division decreased significantly to US\$0.2 million (2003: US\$1.8 million), which was mainly a function of markets and the policy at the time to hold cash and the revenue of the asset management business division was further reduced by 51% to US\$0.4 million (2003: US\$0.7 million), which was primarily due to the reduction in assets under management.

The shareholders' equity decreased by 27.7% to US\$70.3 million from US\$97.3 million during the period and BIH accounted for approximately 87.4% of the Group's total shareholders' equity as at 30 September 2004. This decrease was mainly due to the dividend of US\$32.5 million which was paid by the Company on 17 September 2004 offset by US\$20.4 million that arose from the change of accounting policy adopted by BIH and the Group in relation to BIH's negative goodwill of US\$50.8 million, which was derecognised in BIH's retained earnings due to the introduction of the new International Financial Reporting Standard. The remaining Group assets comprised: (i) cash of US\$2.8 million, (ii) technology investments of US\$0.5 million and (iii) other corporate investments of US\$5.6 million.

Regent Pacific Group Limited

I set out below a brief summary of the main elements of the loss attributable to shareholders as follows:

	<i>US\$ million</i>
Share of loss connected with BIH	(13.5)
Corporate investments	(0.6)
Asset management	(0.6)
Other operating income	0.4
	<hr/>
Total loss attributable to shareholders	(14.3)

In terms of the consolidated balance sheet, the main elements consist of:

	<i>US\$ million</i>
Stake in BIH	61.4
Value of technology related assets	0.5
Other net assets	8.4
	<hr/>
Total net assets	70.3

On 20 August 2004, the Company received a dividend of US\$36 million from BIH. On 26 August 2004, the Company's shareholders approved the payment of a final dividend of 2.72 US cents per share. On the basis of the Company's then existing issued share capital, payment of the final dividend amounted to approximately US\$32.5 million. Accordingly, the Directors have approved a distribution in aggregate of 3.015 US cents per share or approximately 90% of the proceeds received from BIH, which is in line with the Directors' stated intention concerning distributions received from BIH. The dividend was paid on 17 September 2004.

During the period and up to the date of this report, 3.18 million new ordinary shares were issued pursuant to the exercise of share options (2003: Nil). The Company granted options in respect of an aggregate of 21.4 million ordinary shares on 9 September 2004 at an exercise price of HK\$0.266 per share, which represented 1.93% of the Company's issued voting share capital as at 30 September 2004.

Bridge Investment Holding Limited

BIH recorded a loss attributable to shareholders of US\$33.6 million (2003: US\$4.9 million) for the six months ended 30 September 2004, representing a loss per share of US\$0.75 (2003: US\$0.11). The change in the results is mainly due to significant one off expenses of US\$37.8 million offset by an one off gain of US\$6.8 million.

Segmental analysis of the figures is as follows:

	<i>US\$ million</i>
<hr/>	
By business:	
— Bridge Securities Co., Ltd (“BSC”)	(26.1)
— Corporate and other interests	(13.5)
	<hr/>
Pre-tax loss	(39.6)
Income tax	(0.6)
Minority interest	6.6
	<hr/>
Net loss for the period	(33.6)
	<hr/>

Shareholders’ equity decreased by 32.7% to US\$153 million as at 30 September 2004 from US\$227.2 million as at 31 March 2004. The decrease was due to (i) payment of a dividend of US\$89.6 million to shareholders on 20 August 2004, and (ii) an operating loss of US\$33.6 million offset by an unrealised foreign exchange revaluation surplus of US\$1.8 million. The negative goodwill of US\$50.8 million was derecognised in the retained earnings due to the introduction of the new International Financial Reporting Standard, which consequently increased BIH’s shareholders’ equity by such amount. Net assets per share were US\$3.41.

BSC completed on 16 August 2004 a mandatory buy back of 150 million shares at KRW 1,000 per share at a total cost of KRW 150 billion. BSC has therefore mandatorily purchased 67.637667% of each shareholder’s interest in BSC. As part of this process BSC bought back 116.6 million shares from certain of BIH’s subsidiaries for cash raising approximately US\$100.7 million before taxes.

Operational performance

BSC completed its restructuring programme in August 2004, which resulted in BSC incurring a restructuring charge of US\$27.3 million. BIH does not anticipate any further restructuring in the foreseeable future. The BIH directors are pleased that BSC recorded a monthly net profit after tax in each of August and September 2004, reflecting the benefits of the restructuring measures implemented during June, July and August 2004, notwithstanding the KRW 150 billion capital reduction effected at BSC on 16 August 2004. However, it is too early to say whether such trend will continue into the future.

Regent Pacific Group Limited

Realisation of BSC

Negotiations are underway for the sale of BIH's investment in BSC. As announced by the Company to shareholders on 12 November 2004, BIH has received expressions of interest from 6 potential purchasers to acquire BIH's 77.75% interest in BSC, from which BIH has selected 2 potential purchasers with whom BIH remains in discussions. There can be no assurance, however, that these discussions will result in a successful sale. Nevertheless, BIH remains hopeful that it can complete the realisation in full by 30 June 2005.

Fund management

The Group had assets under management of US\$32.8 million as at 30 September 2004 and consequently with the small size of assets under management the division continues to incur losses. Shareholders will recall that the Group spun off its main fund management division, Charlemagne Capital Limited ("CCL", formerly called "Regent Europe Limited"), in May 2000 and shareholders had the choice to receive either a distribution in specie or a cash dividend of HK\$0.12 per share. We are pleased to inform shareholders who elected to receive the distribution in specie that CCL has become a substantial business with over US\$2 billion of funds under management.

Technology investments

Regent Markets Group Limited ("**Regent Markets**") has continued to expand in Year 2004, with the setting up of a backoffice subsidiary in Cyberjaya, Malaysia. Regent Markets has also expanded its Isle of Man office, which now hosts a call center for servicing UK clients, and has applied for a new license in Malta, where the company is also aiming for ISO17799. Regent Market's projected turnover for Year 2004 is US\$90 million, a 37% increase on Year 2003. Growth in Year 2005 is expected to come from the Asian region, notably mainland China, which Regent Market intends to target actively via its Malaysian service hub.

Outlook

The Group remains committed to realising its investment in BIH, which it is hopeful will be completed in full by 30 June 2005. The Group is also seriously evaluating new investment opportunities, which may be funded by internal cash and/or shares with the aim of ensuring that any such investments will enhance the value of all shareholders' investment in the Company.

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare any interim dividend for the six months ended 30 September 2004 (2003: a special interim dividend of 0.295 US cent per share).

TRADING RECORD OVER LAST FIVE YEARS

	(Unaudited)	(Audited)				
	Six months ended 30 September	Year ended 31 March				
	2004 US\$'000	2004 US\$'000	2003 US\$'000	2002 US\$'000	2001 US\$'000	2000 US\$'000
Turnover	490	1,512	564	4,959	(744)	54,658
Revenue less expenses	(1,283)	(2,001)	(1,905)	(13,544)	(22,619)	14,725
Share of (losses)/profits of associates	(12,659)	7,445	(4,976)	16,143	(53,440)	32,178
Operating (loss)/profit on core activities	(13,942)	5,444	(6,881)	2,599	(76,059)	46,903
(Losses)/Profits on non-core activities	—	—	—	(8)	(22,193)	51,940
Operating (loss)/profit from ordinary activities	(13,942)	5,444	(6,881)	2,591	(98,252)	98,843
Finance costs - interest on bank loans and overdraft	—	—	—	(145)	(358)	(462)
(Loss)/Profit on ordinary activities before taxation	(13,942)	5,444	(6,881)	2,446	(98,610)	98,381
Taxation	(314)	(356)	(395)	(923)	(2,840)	(12,283)
(Loss)/Profit after taxation	(14,256)	5,088	(7,276)	1,523	(101,450)	86,098
Minority interests	—	(15)	16	2,030	3,119	(534)
Net (loss)/profit attributable to shareholders	(14,256)	5,073	(7,260)	3,553	(98,331)	85,564
Capital and reserves	70,315	97,279	85,192	87,054	85,661	118,358

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

Revenue and profits

The Group recorded a loss after tax and minority interests of US\$14.3 million for the six-month period ended 30 September 2004.

The loss was mainly attributable to the Group's share of loss after tax of US\$13.5 million from its associate, Bridge Investment Holding Limited. This loss at BIH was mainly due to significant one off expenses being incurred and a change of accounting policy concerning goodwill and negative goodwill, which had a positive effect on the Group's shareholders' equity.

BIH recorded a loss attributable to shareholders of US\$33.6 million for the six-month period ended 30 September 2004. A further associate of the Group, Regent Markets Holdings Limited, has contributed a share of profit of US\$0.5 million to the Group for the six-month period ended 30 September 2004.

The revenue of the corporate investment business division decreased significantly to US\$0.2 million (2003: US\$1.8 million), which was mainly a function of markets and the policy at the time to hold cash and the revenue of the asset management business division was further reduced by 51% to US\$0.4 million (2003: US\$0.7 million), which was primarily due to the reduction in assets under management.

Balance sheet

The shareholders' equity decreased by 27.7% to US\$70.3 million from US\$97.3 million during the period and BIH accounted for approximately 87.4% of the Group's total shareholders' equity as at 30 September 2004. This decrease was mainly due to the dividend of US\$32.5 million which was paid by the Company on 17 September 2004. The remaining Group assets comprised: (i) cash of US\$2.8 million, (ii) technology investments of US\$0.5 million and (iii) other corporate investments of US\$5.6 million.

Dividend

On 20 August 2004, the Company received a dividend of US\$36 million from BIH. On 26 August 2004, the Company's shareholders approved the payment of a final dividend of 2.72 US cents per share. On the basis of the Company's then existing issued share capital, payment of the final dividend amounted to approximately US\$32.5 million. Accordingly, the Directors have approved a distribution in aggregate of 3.015 US cents per share or approximately 90% of the proceeds received from BIH, which is in line with the Directors' stated intention concerning distributions received from BIH. The dividend was paid on 17 September 2004.

Future funding

As at 30 September 2004, the Group had US\$2.8 million net cash or 3.9% of its total shareholders' equity. There were no material charges against Group assets.

The Company's subsidiaries and associates 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 internal resources.

Management of risk

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. The Group has not taken any currency hedge against associated investments due to their non-cash nature and the high cost such hedging would involve.

As BIH was responsible for approximately 87.4% of the total shareholders' equity as at 30 September 2004, the Company is exposed to the fluctuations in the equity values of BIH. The exposure is to the Korean economy, and its credit and equity markets. The responsibility for management of these risks rests with the BIH management.

Through investments of Interman Holdings Limited and Interman Limited in technology related ventures, the Group is exposed to the technology sector. The ability of these companies in controlling their operating cash requirements is key to their development and hence the value of the Group's investment in them. The Group closely monitors the operations and performance of these companies.

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 30 September 2004, the amount of these margin deposits was US\$73,000 (2003: US\$332,000).

In terms of the total operations of the Group, activities of this nature are of limited materiality.

Contingent liabilities

The Group was not involved in any material litigation or disputes during the period ended 30 September 2004, save for those disclosed in the BIH interim report.

No other material changes were noted during the six-month period ended 30 September 2004 from the information disclosed in the published annual report for the year ended 31 March 2004.

DIRECTORS' INTERESTS IN SECURITIES AND OPTIONS

The Stock Exchange of Hong Kong Limited introduced various amendments to The Rules Governing the Listing of Securities on the HK Stock Exchange on 30 January 2004, which took effect on 31 March 2004 subject to specific transitional arrangements in respect of certain new provisions. As the HK Stock Exchange specified in its news release dated 30 January 2004 that the new disclosure requirements for annual and interim reports will only be effective for the accounting period commencing on or after 1 July 2004, information about interests held by the Directors in the Company is disclosed in this interim report in accordance with the disclosure requirements which prevailed prior to 31 March 2004 under the HK Listing Rules and Appendix 16 thereto.

As at 30 September 2004, the Directors of the Company had the following beneficial interests in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company or of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")), which were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Section 352 of the SFO or which were otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those interests which the Directors were deemed or taken to have under such provisions of the SFO) or pursuant to The Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the HK Listing Rules:

I. SECURITIES OF THE COMPANY

a. Ordinary shares of US\$0.01 each

Name of Director	Note	Capacity in which the shares are held	Long/Short position	Number of shares*	Approximate % of holding**
Anthony Baillieu	A	Interests by controlled corporation	Long position	200,000	0.02%
Jamie Gibson		Beneficial owner	Long position	4,549,843	0.41%
Clara Cheung		—	—	—	—
James Mellon		Beneficial owner	Long position	37,088,500	3.35%
	B	Beneficiary of a trust	Long position	222,967,083	20.14%
Julie Oates		—	—	—	—
Mark Searle		Beneficial owner	Long position	1,750,000	0.16%
	C	Beneficiary of a trust	Long position	50,000	0.00%
Jayne Sutcliffe		Beneficial owner	Long position	14,727,260	1.33%
	D	Beneficiary of a trust	Long position	24,000,000	2.17%
Anderson Whamond	E	Beneficiary of a trust	Long position	5,000,000	0.45%
Robert Whiting		—	—	—	—

* These numbers do not include the numbers of deferred shares in the issued capital of the Company and the ordinary shares to be issued upon exercise of the outstanding options under the Company's share option schemes held by the Directors, which are disclosed in sub-paragraphs (b) and (c) respectively below.

** The total issued ordinary share capital of the Company as at 30 September 2004 consisted of 1,106,900,089 ordinary shares.

b. Deferred shares of US\$0.01 each

Indigo Securities Limited, a private company indirectly and wholly owned by the trustee of a settlement of which James Mellon is a beneficiary, holds 86,728,147 non-voting convertible deferred shares of US\$0.01 each in issue in the capital of the Company.

Details of the rights of the deferred shares are set out in note 11 to the financial statements in this interim report.

c. Options of the Company

Please refer to note 11 to the financial statements in this interim report as to details of the share option schemes of the Company.

As at 30 September 2004, the following Directors of the Company had personal interests in options granted under the Company's Share Option Scheme (2002) (as referred to in note 11 to the financial statements), entitling them to subscribe for ordinary shares of US\$0.01 each in the capital of the Company in accordance with, and subject to, the terms of the scheme:

Name of Director	Date of grant	Total number of shares subject to the option #	Subscription price per share (HK\$)	Exercise period #	Number of shares subject to vested options #	Consideration for grant of option (HK\$)
Jamie Gibson	9 September 2004	11,000,000	0.266	9 September 2005 – 8 September 2014	—	10.00
Clara Cheung	9 September 2004	3,500,000	0.266	9 September 2005 – 8 September 2014	—	10.00

Regent Pacific Group Limited

As at 30 September 2004, there were no outstanding options held by any Director of the Company under the Company's Employee Share Option Scheme (as referred to in note 11 to the financial statements, which was terminated on 15 November 2002 but remains in full force in respect of outstanding options). During the six months ended 30 September 2004, Jamie Gibson exercised all rights under his outstanding options pursuant to the Employee Share Option Scheme and subscribed for an aggregate of 2,500,000 shares in the Company. Details of his options are as follows:

Date of grant	Total number of shares subject to outstanding options as at 1 April 2004 ##	Date of exercise	Number of shares subscribed	Subscription price per share (HK\$)	Date of allotment
7 April 2001	1,000,000	17 August 2004	1,000,000	0.16	17 August 2004
27 April 2001	1,500,000	17 August 2004	1,500,000	0.16	17 August 2004

The options entitle the holders to exercise one-third of the option at each of the first, second and third anniversary dates after the date of grant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 10 years from the date of grant. All entitlements then remain unexercised will lapse.

The options entitle the holders to exercise one-third of the option at each of the first, second and third anniversary dates after the date of grant. Any entitlements unexercised in any prior period may be carried forward to the following periods but, in any event, must be exercised within 60 months from the date of grant. All entitlements then remain unexercised will lapse.

Save for the above, during the six months ended 30 September 2004, no Directors of the Company exercised any of their rights under the respective options granted to them pursuant to the Company's share option schemes and subscribed for shares in the Company; and no options were granted, cancelled or lapsed.

2. SECURITIES OF ASSOCIATED CORPORATIONS

a. Ordinary shares of US\$0.01 of AstroEast.com Limited (note F)

Name of Director	Note	Capacity in which the shares are held	Long/Short position	Number of shares	Approximate % of holding
Anthony Baillieu	A	Interests by controlled corporation	Long position	95,560	0.34%
Jamie Gibson		Beneficial owner	Long position	225,000	0.80%
Jayne Sutcliffe		Beneficial owner	Long position	150,000	0.54%
Anderson Whamond		Beneficial owner	Long position	150,000	0.54%

b. Ordinary shares of US\$0.01 of bigsave Holdings plc (note F)

Name of Director	Note	Capacity in which the shares are held	Long/Short position	Number of shares	Approximate % of holding
Anthony Baillieu	A	Interests by controlled corporation	Long position	100,000	0.25%
Jamie Gibson		Beneficial owner	Long position	131,579	0.33%
Jayne Sutcliffe	D	Beneficiary of a trust	Long position	350,000	0.88%
Anderson Whamond		Beneficial owner	Long position	350,000	0.88%
Robert Whiting	G	Beneficiary of a trust	Long position	16,667	0.04%

Regent Pacific Group Limited

Notes:

A. The 200,000 shares in the Company are held by a nominee company owned by the family of Anthony Baillieu, through which shares and cash are held to individual family members' accounts. Such securities are held in Anthony Baillieu's individual account.

The 95,560 shares in AstroEast.com Limited and 100,000 shares in bigsave Holdings plc are held by a company which is 80% beneficially owned by Anthony Baillieu.

B. The 222,967,083 shares in the Company are held by companies wholly owned by the trustee of a settlement, of which James Mellon is a beneficiary.

C. The 50,000 shares in the Company are held to the order of a pension fund, of which Mark Searle is the sole beneficiary.

D. The 24,000,000 shares in the Company and the 350,000 shares in bigsave Holdings plc are held by the trustee of a discretionary trust, under which Jayne Sutcliffe and members of her family may become beneficiaries.

E. The 5,000,000 shares in the Company are held by a pension fund, of which Anderson Whamond is the sole beneficiary.

F. AstroEast.com Limited and bigsave Holdings plc are indirect 51% and 64.3% owned subsidiaries of the Company respectively. The Company has no effective control over bigsave Holdings pls and its results and assets and liabilities were not consolidated into the financial statements in this interim report.

G. The 16,667 shares in bigsave Holdings plc are held by a trust, of which Robert Whiting is one of the beneficiaries.

Save as disclosed herein, as at 30 September 2004 none of the Directors (or their associates) had any beneficial interests or short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) or debentures of the Company or of any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Section 352 of the SFO or which would have to be otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors were deemed or taken to have under such provisions of the SFO) or pursuant to the Model Code.

Save as disclosed herein, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) did not grant to any Director of the Company (or their associates) any rights to subscribe for the equity or debt securities of the Company or of any of its associated corporations, or had there been any exercise of such options during the period under review.

COMPLIANCE OF THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

On 31 March 2004, a code for securities transactions by Directors and employees (the “Code”), on exactly the terms and required standard in the Model Code, which is set out in Appendix 10 to the HK Listing Rules, was adopted by the Group. All Directors of the Company confirmed that they have complied with the Code during the period under review.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company is in compliance of Rules 3.10(1) and (2) of the HK Listing Rules with respect to the number and qualification of independent non-executive Directors on the Board.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2004, the following persons (other than James Mellon, whose interests are set out in detail under the section headed “Directors’ Interests in Securities and Options”) had the following beneficial interests in the shares of the Company, which were recorded in the Register of Interests and Short Positions of Substantial Shareholders required to be kept by the Company under Section 336 of the SFO or which were otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including those interests which they were deemed or taken to have under such provisions of the SFO):

Name of shareholder	Class of shares	Capacity in which the shares are held	Long/Short position	Number of shares	Approximate % of holding **
Peter Devas Everington	Ordinary shares	Beneficial owner	Long position	46,356,000	4.19%
	Ordinary shares	Family interests	Long position	24,450,000	2.21%
	Ordinary shares	Beneficiary of a trust	Long position	24,841,210	2.24%
The State of Wisconsin Investment Board	Ordinary shares	Beneficial owner	Long position	82,567,940	7.46%

** The total issued ordinary share capital of the Company as at 30 September 2004 consisted of 1,106,900,089 ordinary shares.

Save for such interests, the Directors are not aware of any other persons who, as at 30 September 2004, had beneficial interests and short positions in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company, which would have to be recorded in the Register of Interests and Short Positions of Substantial Shareholders required to be kept by the Company under Section 336 of the SFO or which would have to be otherwise notified to the Company and the HK Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including those interests and short positions which they were deemed or taken to have under such provisions of the SFO).

Regent Pacific Group Limited

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 months ended 30 September 2004, whether on the HK Stock Exchange or otherwise. The Company has not redeemed any of its securities during the period.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises the three independent non-executive Directors, namely Julie Oates, Stawell Mark Searle and Robert George Curzon Whiting, and two non-executive Directors (Anthony Robert Baillieu and James Mellon). The committee is chaired by Robert Whiting. The Audit Committee is in compliance of Rule 3.21 of the HK Listing Rules.

The interim financial statements of the Company for the six months ended 30 September 2004 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

A remuneration committee, comprising two of the independent non-executive Directors, namely Mark Searle and Robert Whiting, and James Mellon (a non-executive Director), has been established by the Company to review and approve the remuneration packages of the Directors.

COMPLIANCE OF THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30 September 2004, in compliance with The Code of Best Practice as set out in Appendix 14 to the HK Listing Rules.

PUBLICATION ON WEBSITES

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

On behalf of the Board of
Regent Pacific Group Limited

Anthony Baillieu
Chairman

Directors of the Company:

Anthony Baillieu (*Chairman*) *
Jamie Gibson (*Chief Executive Officer*)
Clara Cheung
James Mellon *
Julie Oates #
Mark Searle #
Jayne Sutcliffe *
Anderson Whamond *
Robert Whiting #

* *Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 14 December 2004