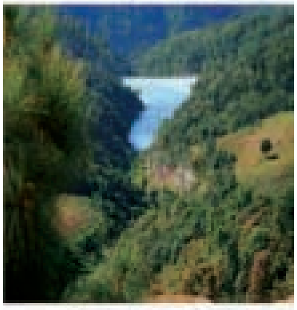
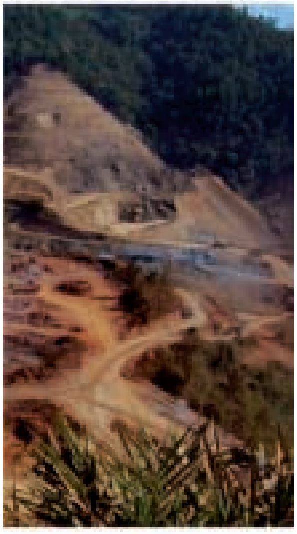
Regent Pacific Group Limited
(勵晶太平洋集團有限公司)




(Incorporated in the Cayman Islands with Limited Liability)
Stock Code: 0575

23 March 2012

ANNOUNCEMENT

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AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2011

PERFORMANCE OVERVIEW

A summary of the financial performance and achievements for 2011 include:

- Operating loss of US$41.45 million, before impairment charges of US$9.21 million
- Shareholders' equity of US$182.02 million or net asset value per share of 40.47 HK cents
- Successful sale of the Group's interests in Matthews International Capital Management LLC and the Yinzishan Mining Project, which generated realized gains of US$6.41 million and US$2.40 million respectively
- Announced sale of the Ji Ri Ga Lang Coal Project that successfully closed in January 2012, which will realise a gain of approximately US$4.41 million in 2012

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- On-market share buyback 100% complete with US$14.91 million worth of shares bought back and cancelled, equivalent to 10% of the Group's issued share capital. A further 10% mandate is being sought from shareholders at the Group's extraordinary general meeting at the end of March 2012
- Capital return of US$28.37 million to shareholders
- Cash and listed securities balance of US$142.44 million at end of 2011, with no external debt
- A dividend of 3 HK cents per share was declared in December 2011 and paid in February 2012
- During the course of 2011, we increased our strategic stakes in Venturex Resources Limited and BC Iron Limited to 28.88% and 22.65% respectively

Going forward, we will drive growth by focusing on the enhancement of our core businesses and by continuing to pursue accretive acquisitions and investment opportunities.

We are pleased to inform shareholders that our listed equity portfolio (which is marked to market) has had a pronounced and timely bounce back, recovering some of its 2011 losses, where realised and unrealised gains stand at approximately US$25.03 million for the two months ended 29 February 2012.

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**" or "**Regent**" and collectively with its subsidiaries, the "**Group**") hereby announce the audited results of the Group for the year ended 31 December 2011, together with comparative figures for the year ended 31 December 2010, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	2011 US$'000	2010 US$'000
			(Restated)
Continuing operations			
Revenue/Turnover:	4		
Corporate investment income		4,310	4,685
Other income		359	647
		4,669	5,332
Fair value (loss)/gain on financial instruments		(29,284)	55,826
Total income		(24,615)	61,158
Expenses:			
Employee benefit expenses	6	(8,018)	(21,008)
Rental and office expenses		(717)	(374)
Information and technology expenses		(251)	(244)
Marketing costs and commissions		(81)	(19)
Professional and consulting fees		(764)	(994)
Transaction cost on termination of acquisition of BC Iron Limited	5	(5,487)	—
Financial advisory fee		—	(1,000)
Finance costs	7	—	(2)
Other operating expenses		(1,521)	(1,519)
Operating (loss)/profit before impairment loss and provision		(41,454)	35,998
Provision for impairment on loan receivables		(4,345)	—
Impairment loss on goodwill		(4,863)	—
Reversal of impairment loss on exploration and evaluation assets		—	912
Impairment loss on available-for-sale financial assets		—	(28)
Operating (loss)/profit	5	(50,662)	36,882
Gain on disposal of a jointly controlled entity and the Zhun Dong Coal Project	15	—	19,834
Gain on disposal of the Yinzishan Mining Project	15	2,401	—
Share of profits of associates		1,705	2,915
Share of profit of a jointly controlled entity		—	3,007
(Loss)/Profit before income tax		(46,556)	62,638
Taxation	8	—	(1,000)
(Loss)/Profit for the year from continuing operations		(46,556)	61,638
Discontinued operations			
Loss for the year from discontinued operations	14	(3,758)	(1,866)
(Loss)/Profit for the year		(50,314)	59,772

	Notes	2011 *US$'000*	2010 *US$'000*
			(Restated)
Other comprehensive income			
Reclassified to profit and loss on the disposal of available-for-sale financial assets		(6,858)	92
Net change in fair value of available-for-sale financial assets		—	5,563
Exchange gain on translation of financial statements of foreign operations		918	87
Reversal of exchange reserve upon disposal of the Yinzishan Mining Project		(225)	—
Reversal of exchange reserve upon disposal of a jointly controlled entity and the Zhun Dong Coal Project		—	(4,610)
Share of other comprehensive income of associates		1,829	507
Share of other comprehensive income of a jointly controlled entity		—	1,044
Other comprehensive income for the year		(4,336)	2,683
Total comprehensive income for the year		(54,650)	62,455
(Loss)/Profit from the year attributable to:	9		
Shareholders of the Company		(48,527)	59,792
Non-controlling interests		(1,787)	(20)
		(50,314)	59,772
(Loss)/Profit attributable to shareholders of the Company arises from:			
Continuing operations		(46,396)	61,769
Discontinued operations		(2,131)	(1,977)
		(48,527)	59,792
Total comprehensive income attributable to:			
Shareholders of the Company		(53,371)	62,498
Non-controlling interests		(1,279)	(43)
		(54,650)	62,455
Total comprehensive income attributable to shareholders of the Company arises from:			
Continuing operations		(51,732)	64,585
Discontinued operations		(1,639)	(2,087)
		(53,371)	62,498
(Losses)/Earnings per share from continuing and discontinued operations:	11	US cent	US cent
– Basic and Diluted		(1.31)	1.54
(Losses)/Earnings per share from continuing operations:	11	US cent	US cent
– Basic and Diluted		(1.26)	1.59
Losses per share from discontinued operations	11	US cent	US cent
– Basic and Diluted		(0.05)	(0.05)

Consolidated Statement of Financial Position
As at 31 December 2011

	Notes	2011 US$'000	2010 US$'000
Non-current assets:			
Goodwill		—	12,256
Exploration and evaluation assets		—	9,485
Property, plant and equipment		296	558
Interests in associates		24,727	22,487
Interest in a jointly controlled entity		—	—
Available-for-sale financial assets		9,287	7,025
		34,310	51,811
Current assets:			
Cash and bank balances		16,412	123,816
Financial assets at fair value through profit and loss		126,026	114,080
Trade receivables	12	—	43
Loan receivables		—	4,345
Prepayments, deposits and other receivables		10,034	6,090
Amounts due from minority shareholders		—	852
Derivative financial instruments		1,975	—
Assets classified as held for sale		17,728	—
		172,175	249,226
Current liabilities:			
Trade payables, deposit received, accruals and other payables	13	(5,534)	(17,909)
Dividend payable		(13,463)	(10,050)
Deferred tax liability		—	—
Derivative financial instruments		(491)	(740)
Liabilities directly associated with assets classified as held for sale		(3,649)	—
		(23,137)	(28,699)
Net current assets		149,038	220,527
Total assets less current liabilities		183,348	272,338
Net assets		183,348	272,338
Capital and reserves attributable to shareholders of the Company			
Share capital		34,857	39,109
Reserves		147,167	230,626
Equity attributable to shareholders of the Company		182,024	269,735
Non-controlling interests		1,324	2,603
Total equity		183,348	272,338

Notes:

1. General Information

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is at P.O. Box 309, Ugland House, Grand Cayman, 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 consolidated financial statements are presented in United States Dollars ("**US$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**US$'000**") except when otherwise indicated.

The Company is engaged in investment holding, and the principal activities of the Company and its subsidiaries (collectively as defined as the "**Group**") consist of exploration and mining of natural resources, and corporate investments. The principal places of business of the Group are in Hong Kong and the People's Republic of China.

The financial statements for the year ended 31 December 2011 were approved and authorised for issue by the Board of Directors on 23 March 2012.

2. Basis of Preparation

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on the HK Stock Exchange (the "**HK Listing Rules**").

3. Adoption of HKFRSs

3.1 Adoption of new/revised HKFRSs – effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised standards and interpretations have no significant impact on the Group's financial statements.

HKFRS 3 (Amendments) – Business Combinations

As part of the Improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests ("**NCI**") at either fair value or the NCI's proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group's financial statements.

HKFRS 7 (Amendments) – Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition and as a consequence has amended the disclosures of its related party transactions in the current and comparative periods to include transactions with subsidiaries of the Group's associates and jointly controlled entity and to exclude transactions with an entity which was significantly influenced by a member of the Group's key management personnel. The adoption of HKAS 24 (Revised) has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

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

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

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 19 (2011)	Employee Benefits[3]
HKAS 27 (2011)	Separate Financial Statements[3]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 July 2012
3 Effective for annual periods beginning on or after 1 January 2013
4 Effective for annual periods beginning on or after 1 January 2014
5 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

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

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

HKFRS 9 - Financial Instruments

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "**Additions**") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("**FVO**"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("**OCI**"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Company expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 - Consolidated Financial Statements

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

HKFRS 12 - Disclosure of Interests in Other Entities

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

HKFRS 13 - Fair Value Measurement

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

HKAS 19 (2011) - Employee Benefits

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

4. Segment Information

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

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

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

* Discontinued during the year ended 31 December 2011

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

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

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

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

Segment assets include all assets but exclude investments in available-for-sale financial assets, interests in associates and interest in a jointly controlled entity.

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

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

For the year ended 31 December 2011

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

As at 31 December 2011

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

For the year ended 31 December 2011

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

For the year ended 31 December 2010

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Revenue from external customers	—	—	—	5,332	5,332	5,332
Segment results	(1,866)	(24)	(5,165)	42,073	36,884	35,018
Share of profits of associates	—	2,277	—	638	2,915	2,915
Share of profit of a jointly controlled entity	—	—	3,007	—	3,007	3,007
Total results	(1,866)	2,253	(2,158)	42,711	42,806	40,940
Gain on disposal of a jointly controlled entity and the Zhun Dong Coal Project						19,834
Finance costs						(2)
Segment loss from discontinued operations						1,866
Consolidated profit before income tax expense from continuing operations						62,638

As at 31 December 2010

	Discontinued operations	Continuing operations			
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	17,743	4,876	2,158	246,748	271,525
Available-for-sale financial assets	—	—	—	7,025	7,025
Interests in associates	—	19,321	—	3,166	22,487
Total assets	17,743	24,197	2,158	256,939	301,037
Segment liabilities	396	—	729	27,574	28,699

For the year ended 31 December 2010

	Discontinued operations	Continuing operations				
	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Sub-total US$'000	Total US$'000
Interest income on bank deposits and loan receivables	—	—	—	107	107	107
Depreciation	(90)	—	(53)	(72)	(125)	(215)
Share-based payments	(33)	—	—	(1,473)	(1,473)	(1,506)
Impairment loss on available-for-sale financial assets	—	—	—	(28)	(28)	(28)
Net losses on available-for-sale financial assets	—	—	—	(107)	(107)	(107)
Net gains on financial assets at fair value through profit and loss	—	—	—	55,782	55,782	55,782
Net gains on derivative financial instruments	—	—	—	151	151	151
Capital expenditure	(3,525)	—	(374)	(208)	(582)	(4,107)

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

	Revenue from external customers		Non-current assets	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
PRC	655	648	21,397	41,423
Hong Kong (domicile)	92	—	289	197
Australia	249	199	—	—
United States	—	6	—	—
Europe[1]	3,664	4,479	3,337	3,166
South East Asia[2]	9	—	—	—
	4,669	5,332	25,023	44,786

1 Europe includes the United Kingdom and Bahamas

2 South East Asia includes Singapore and Indonesia

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

5. Operating (Loss)/Profit

	Continuing operations		Discontinued operations		Total	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Operating (loss)/profit is arrived at after charging:						
Auditors' remuneration						
- charge for the year	247	315	—	96	247	411
- under provision in prior year	37	36	29	—	66	36
Depreciation of owned property, plant and equipment	78	125	21	90	99	215
Operating lease charges on property and equipment	704	524	—	73	704	597
Loss on disposal of property, plant and equipment	104	349	—	12	104	361
Provision for impairment on loan receivables	4,345	—	—	—	4,345	—
Provision for legal claims	—	—	3,269	—	3,269	—
Transaction cost on termination of acquisition of BC Iron Limited ^	5,487	—	—	—	5,487	—
Impairment loss on available-for-sale financial assets	—	28	—	—	—	28
Realised loss on disposal of available-for-sale financial assets@	—	107	—	—	—	107
Unrealised loss on financial assets at fair value through profit and loss@	43,448	—	—	—	43,448	—
Unrealised loss on derivative financial instruments@	—	740	—	—	—	740
Net foreign exchange loss*	—	229	—	—	—	229
Share-based payments (equity and cash settled)#	2,265	1,473	—	33	2,265	1,506
and crediting:						
Interest income on bank deposits and loan receivables*	632	107	—	—	632	107
Reversal of impairment loss on exploration and evaluation assets	—	912	—	—	—	912
Realised gain on disposal of financial assets at fair value through profit and loss@	3,674	16,783	—	—	3,674	16,783
Realised gain on disposal of a jointly controlled entity and the Zhun Dong Coal Project	—	19,834	—	—	—	19,834
Realised gain on disposal of the Yinzishan Mining Project (note 15)	2,401	—	—	—	2,401	—
Unrealised gain on financial assets at fair value through profit and loss@	—	38,999	—	—	—	38,999
Realised gain on derivative financial instruments@	2,594	891	—	—	2,594	891
Unrealised gain on derivative financial instruments@	1,484	—	—	—	1,484	—
Realised gain on disposal of available-for-sale financial assets@	6,412	—	—	—	6,412	—
Net foreign exchange gain*	554	—	—	—	554	—
Dividend income from listed equities*	3,083	4,427	—	—	3,083	4,427
Dividend income from unlisted equities*	41	380	—	—	41	380

* Included in revenue

Included in share-based payments were (i) employee share-based payment of Nil (2010: US$132,000) in relation to share options granted to Directors and employees, (ii) non-employee share-based payment of Nil (2010: US$8,000) in relation to share options granted to the Group's consultants, (iii) cash and equity settled employee share-based payment of US$677,000 and US$1,552,000, respectively (2010: US$937,000 and US$429,000, respectively) in relation to share awards granted to Directors and employees, and (iv) non-employee share-based payment of U$36,000 (2010: Nil) in relation to share awards granted to the Group's consultant.

@ These amounts constitute the fair value loss of US$29,284,000 (2010: gain of US$55,826,000) in the consolidated statement of comprehensive income.

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

6. Employee Benefit Expenses (Including Directors' Emoluments)

	Continuing operations		Discontinued operations		Total	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Salaries, discretionary bonuses and benefits in kind	5,768	19,522	198	1,016	5,966	20,538
Pension costs - defined contribution plans	21	21	—	—	21	21
Share options granted to Directors and employees	—	99	—	33	—	132
Share awards granted to Directors and employees	2,229	1,366	—	—	2,229	1,366
	8,018	21,008	198	1,049	8,216	22,057

7. Finance Costs

	Continuing operations		Discontinued operations		Total	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Interest on hire purchase	—	2	—	—	—	2

8. Taxation

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

	Continuing operations		Discontinued operations		Total	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Current tax – overseas tax for the year	—	1,000	—	—	—	1,000

No provision for Hong Kong profits tax has been made in these financial statements as all the Group companies which are subject to such tax have sustained losses for taxation purposes for the years ended 31 December 2011 and 31 December 2010. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Share of associates' tax charge for the year ended 31 December 2011 of US$74,000 (2010: US$374,000) and share of a jointly controlled entity's tax charge of Nil (2010: US$340,000) 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.

Under the PRC tax law, 5% to 10% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 1 January 2008. Pursuant to the grandfathering treatments of the new PRC tax law, dividends receivable by the Group from its PRC jointly controlled entity in respect of its undistributed retained earnings prior to 31 December 2007 are exempted from the withholding tax.

At 31 December 2011, the Group has no deferred tax liabilities in respect of the aggregate amount of temporary differences associated with undistributed earnings of its associates. At 31 December 2010, the Group has deferred tax liabilities of approximately US$77,000 in respect of the aggregate amount of temporary differences associated with undistributed earnings of its associates. No deferred tax liabilities have been recognised in respect of these differences because the Group's management believes that it is probable that such differences will not be reversed in the foreseeable future.

9. (Loss)/Profit Attributable to Shareholders

The (loss)/profit attributable to shareholders includes a loss of US$37,688,000 (2010: profit of US$30,802,000) which has been dealt with in the financial statements of the Company.

10. Dividends

(i) Dividend payable to shareholders of the Company attributable to the year:

	2011 US$'000	2010 US$'000
Special dividend declared and payable at the end of the reporting period of HK$0.03 per share (2010: HK$0.02 per share)	13,463	10,050

(ii) Dividend payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year.

	2011 US$'000	2010 US$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.01 per share	—	5,021

11. (Losses)/Earnings Per Share

(a) From continuing and discontinued operations

The calculation of basic (losses)/earnings per share is based on the loss attributable to the shareholders for the year of US$48,527,000 (2010: profit of US$59,792,000) and on the weighted average of 3,692,855,655 (2010: 3,877,225,920) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic (losses)/earnings per share of the Group for the years ended 31 December 2011 and 2010. Accordingly, the effect of the share options was not included in the calculation of diluted (losses)/earnings per share for the years ended 31 December 2011 and 2010.

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

(b) From continuing operations

The calculation of basic (losses)/earnings per share is based on the loss from continuing operations attributable to the shareholders for the year of US$46,396,000 (2010: profit of US$61,769,000) and on the weighted average of 3,692,855,655 (2010: 3,877,225,920) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic (losses)/earnings per share from continuing operations of the Group for the years ended 31 December 2011 and 2010. Accordingly, the effect of the share options was not included in the calculation of diluted (losses)/earnings per share for the years ended 31 December 2011 and 2010.

(c) From discontinued operations

The calculation of basic losses per share is based on the loss from discontinued operations attributable to the shareholders for the year of US$2,131,000 (2010: US$1,977,000) and on the weighted average of 3,692,855,655 (2010: 3,877,225,920) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic losses per share from discontinued operations of the Group for the years ended 31 December 2011 and 2010. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2011 and 2010.

12. Trade Receivables

As at 31 December 2011 and 2010, the ageing analysis of trade receivables was as follows:

	2011 US$'000	2010 US$'000
1 to 3 months old	—	—
More than 12 months old	—	43
	—	43

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. The fair value of the trade receivables was the same as illustrated above.

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

Included in trade payables, deposit received, accruals and other payables are trade payables with the following ageing analysis as at 31 December 2011 and 2010:

	2011 US$'000	2010 US$'000
Due within 1 month or on demand	2	—
More than 6 months	97	97
	99	97

14 Discontinued Operations

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

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

	Notes	2011 US$'000	2010 US$'000
Revenue/Turnover:		—	—
Expenses:			
Employee benefit expenses	6	(198)	(1,049)
Rental and office expenses		—	(73)
Information and technology expenses		(22)	(90)
Professional and consulting fees		(46)	(157)
Other operating expenses		(3,492)	(497)
Operating loss	5	(3,758)	(1,866)
Loss for the year from discontinued operations		(3,758)	(1,866)

15. Disposal of Subsidiaries

On 31 March 2011, the Group disposed of its entire equity interest in its subsidiaries, Regent Minerals Limited ("**RMI**") and Simao Regent Minerals Limited ("**SRM**"), which mainly held the Yinzishan Mining Project in Yunnan, PRC.

On 2 December 2010, the Group disposed of its entire equity interest in its subsidiary, Regent Metals Limited ("**RML**"), which mainly held a 40% jointly controlled entity in Yunnan, PRC.

On 29 November 2010, the Group disposed of its entire equity interest in its subsidiaries, Regent Coal (HK) Limited ("**RC (HK)**") and Xin Jiang Regent Coal Limited ("**XJRC**"), which mainly held the Zhun Dong Coal Project in Xinjiang, PRC.

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

	2011	2010		
	RMI and SRM US$'000	RC(HK) and XJRC US$'000	RML US$'000	Total US$'000
Exploration and evaluation assets	1,297	28,665	—	28,665
Cash and bank balances	—	325	—	325
Dividend and other receivables	—	—	13,306	13,306
Goodwill	—	38,005	1,876	39,881
Interest in a jointly controlled entity	—	—	40,940	40,940
Property, plant and machinery	312	—	—	—
Prepayments	4	—	—	—
Accruals	(7)	(602)	—	(602)
Deferred tax liabilities	—	—	(324)	(324)
Exchange reserve	(225)	250	(4,860)	(4,610)
Net assets disposed	1,381	66,643	50,938	117,581
Gain on disposal of subsidiaries	2,401	7,592	12,242	19,834
Total consideration	3,782	74,235	63,180	137,415
Satisfied by:				
Deposit received in prior year	—	3,514	—	3,514
Cash received during the year	3,782	70,721	63,180	133,901
Total cash	3,782	74,235	63,180	137,415
Net cash inflow arising on disposal:				
Cash consideration	3,782	74,235	63,180	137,415
Cash and bank balance transferred	—	(325)	—	(325)
Deposit received in prior year	—	(3,514)	—	(3,514)
Cash received during the year	3,782	70,396	63,180	133,576

CHAIRMAN'S STATEMENT

Dear Shareholders

2011 was a difficult and uncertain year for the global economy and financial markets, particularly around the euro, not helped by elevated price volatility during the period concerned. We expect price volatility to continue into 2012, leading us to remain somewhat cautious going about near term prospects. However, the medium to long term outlook remains positive for metals and minerals as strong demand growth from emerging markets continues. This, together with the strength of our balance sheet, gives us confidence to forge ahead with the multiple investment targets that we have identified.

As a result in the sharp decline of the Australian, Toronto and London indices ranging from -6% to -20%, our listed investment portfolio pushed the Group into generating a net operating loss of US$41.45 million, before impairment charges of US$9.21 million.

Despite the macroeconomic challenges, during 2011, we returned US$28.37 million to shareholders by way of dividends and share buy-backs, which is in line with our stated policy of paying progressive dividends. In addition, we announced another share buy-back in 2012 that will look to repurchase up to another 10% of the Company's issued share capital.

We completed our divestment programme in 2011 by disposing of Matthews International Capital Management LLC and the Yinzishan Mining Project, which generated realized gains of US$6.41 million and US$2.40 million respectively. In addition we announced in December the sale of the Ji Ri Ga Lang Coal Project that successfully closed in January 2012, which will realise a gain of approximately US$4.41 million in 2012.

Our listed securities portfolio incurred a loss of US$39.77 million. The total value of our listed equity portfolio was US$126.03 million as at 31 December 2011, up from US$114.08 million in 2010.

The Group's balance sheet remains strong, with cash balances and listed securities standing at US$142.44 million, with no external debt. Our net asset value per share was US$0.052 at the end of 2011.

At the time of writing my Chairman's statement, I am very pleased to inform shareholders that our listed equity portfolio (which is marked to market) has had a pronounced and timely bounce back, recovering some of its 2011 losses where realised and unrealised gains stand at US$25.03 million for the two months ended 29 February 2012.

Our strategy remains the same and our strengthened balance sheet has us well positioned to deliver on this. We will continue to pursue growth by way of accretive acquisitions and will target small to medium sized acquisitions.

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

James Mellon
Co-Chairman
23 March 2012

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

Revenue and Profits

The Company recorded a net loss after tax and non-controlling interests of US$48.53 million, compared with the net profit of US$59.79 million in 2010.

The corporate division recorded a loss of US$24.62 million (2010: profit of US$61.16 million).

The Group's associates, Regent Markets Holdings Limited ("**Regent Markets**") and West China Coking & Gas Company Limited ("**West China Coke**") contributed a share of profit of US$0.49 million and US$1.22 million respectively to the Group.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from Regent Markets	0.49
Share of profit from West China Coke	1.22
Gain on disposal of Yinzishan Mining Project	2.40
Gain on disposal of Matthews International Capital Management LLC ("**MICM**")	6.41
Corporate investment	(44.84)
Coal mining and coking coal	(2.24)
Metals mining	(1.62)
Transaction costs on termination of acquisition of BC Iron Limited	(5.49)
Write off of goodwill	(4.86)
Total loss attributable to shareholders of the Company	(48.53)

Financial Position

Shareholders' equity decreased by 32.52% to US$182.02 million as at 31 December 2011 from US$269.74 million as at 31 December 2010. The decrease was mainly due to (i) the loss of US$48.53 million for the year ended 31 December 2011, (ii) the buy-back of 425.26 million shares of the Company, which reduced the share capital and share premium by US$14.91 million, (iii) the purchase of shares of the Company for a cost of US$7.54 million, which are held for the Group's long term incentive share award scheme, (iv) the disposal of an available-for-sale financial asset (MICM), which reduced the investment revaluation reserve by US$6.86 million, (v) the decrease of the exchange reserve by US$0.23 million mainly due to the disposal of a subsidiary, and these were offset against (vi) the exchange gain of US$1.44 million on translation of foreign operations, (vii) the share-based payment reserve increase of US$0.09 million due to the share-based payment on the Group's long term incentive share award scheme, the reversal of share-based payment reserve from forfeited share options and the share of reserve from an associate, and (viii) the increase of statutory reserve of US$0.80 million due to the share of reserve from an associate.

The investments in Regent Markets of US$3.34 million and West China Coke of US$21.39 million accounted for 1.83% and 11.75% of shareholders' equity respectively. The Group's assets also comprised: (i) cash and bank balances of US$16.41 million, (ii) listed and unlisted investments of US$135.31million, (iii) assets held-for-sale of US$17.73 million, and (iv) other assets and receivables of US$12.31 million.

The Group's liabilities comprised (i) payables and accruals of US$5.53 million, (ii) dividend payable of US$13.46 million, (iii) liabilities related to assets held-for-sale of US$3.65 million, and (iv) derivative financial instruments of US$0.49 million.

Funding

As at 31 December 2011, the Group had US$16.41 million in cash and US$8.93 million on margin deposits held with the Group's brokers for trading of derivatives that represented 9.02% and 4.91% of its total shareholders' equity, which does not take into account the Group's holding of listed securities that amounted to US$126.03 million.

Gearing Ratio

No gearing ratio (being long term debts over total equity and long term debts) is calculated as there was no long term debt as at 31 December 2011.

Contingent Liabilities

The Group has no material contingent liabilities as at 31 December 2011.

Charge on Assets

None of the Group's assets were pledged as at 31 December 2011.

Management of Risk

In 2011, the most significant risk affecting the profitability and viability in respect of the Group is the continued success and revenue derived from its listed equity portfolio and in respect of the Group's interest in West China Coke. Risks relating to the Group's interests include:

Equity Markets

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

Price Risk

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

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

Co-operation of the Joint Venture Partners

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

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

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

Operational Risks

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

Uncertainties Related to Exploration

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

Licence Period of Exploration and Mining Rights

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

Capital Requirements and Funding Sources

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

Government Regulations

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

Political and Economic Considerations

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

Legal Considerations

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

Competition for Resources

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

Foreign Exchange Risk

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

Interest Rate Risk

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

Environmental and Employee Health and Safety Risks

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

Accidents and Insufficient Insurance Coverage

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

Financial Instruments

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

In the course of the Group's normal operations, margin deposits of varying amounts of cash are held by the Group's brokers. As at 31 December 2011, the amount of these margin deposits was US$8,932,000 (2010: US$2,243,000). In terms of the total operations of the Group, activities of this nature are of limited materiality.

Foreign Currency

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

Material Acquisitions and Disposals

On 31 March 2011, the Group disposed of its entire equity interest in its subsidiaries, RMI and SRM, which mainly held the Yinzishan Mining Project in Yunnan, PRC. Total consideration received from the disposal of the Yinzishan Mining Project was US$3.78 million, and the gain realised from the disposal was US$2.40 million.

For details of these disposals, please refer to note 15 in this announcement.

Segmental Information

During the period ended 31 December 2011, there were no changes in the Group's industry segment and there was no material development within the segment.

Employees

The Group, including subsidiaries but excluding associates employed approximately 27 employees at 31 December 2011. The remuneration policy is to reward key employees by a combination of salaries, profit related discretionary bonuses, share options and share awards, where appropriate. For employees below Board level, remuneration will be determined by the Director(s) responsible for the division whilst, for Directors, remuneration is determined by the Remuneration Committee of the Company. In all cases, grants of share rewards will be agreed by the Remuneration Committee of the Company. During the year and up to the date of this announcement, 236,700,000 share awards were granted to eligible participants.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: nil).

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to a high standard of corporate governance, for which the Directors are accountable to the Company, and has applied the principles of The Code on Corporate Governance Practices (the "**Code on CG Practices**") as set out in Appendix 14 to the HK Listing Rules 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 Board with the full support of the Company's secretary and its executive management.

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

As far as the Directors are aware, the Company has complied with the code provisions set out in the Code on CG Practices during the year ended 31 December 2011 and prior to the date of this announcement.

The Directors have noted that the HK Stock Exchange published on 28 October 2011 the Consultation Conclusions on the "Review of the Corporate Governance Code and Associated Listing Rules" and introduced a number of amendments to the provisions of the HK Listing Rules, the Code on CG Practices (which will be renamed as the "Corporate Governance Code" (the "**CG Code**")) and the disclosures to be made in the Corporate Governance Report (which is currently set out in Appendix 23 to the HK Listing Rules), which have been designated to take effect on 1 January 2012 or 1 April 2012 or otherwise. Appropriate actions are being taken by the Directors to bring the Company in compliance with all code provisions in the CG Code before it takes effect on 1 April 2012.

REVIEW BY THE AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2011 have been reviewed by the audit committee of the Company (the "**Audit Committee**").

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

In compliance 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.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

1. Under the Repurchase Mandates

A general mandate was granted to the Directors at the Company's annual general meeting held on 10 June 2010 to repurchase, on the HK Stock Exchange, shares up to a maximum of 391,099,052 shares (the "**2010 Repurchase Mandate**").

Prior to May 2011, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2010 Repurchase Mandate.

In May 2011, the Company repurchased an aggregate of 38,520,000 shares on the HK Stock Exchange pursuant to the 2010 Repurchase Mandate at prices ranging from HK$0.290 to HK$0.320 per share, for a total consideration of HK$11,865,150 (approximately US$1,535,039).

The 2010 Repurchase Mandate expired upon close of the Company's annual general meeting held on 1 June 2011, at which a new general mandate was granted to the Directors to repurchase, on the HK Stock Exchange, shares up to a maximum of 387,247,052 shares (the "**2011 Repurchase Mandate**").

During the period from 1 June 2011 to 31 December 2011, the Company repurchased an aggregate of 386,740,000 shares on the HK Stock Exchange pursuant to the 2011 Repurchase Mandate for a total consideration of HK$103,636,760 (approximately US$13,376,000), details of which are set out below:

Month	Number of shares repurchased during the month	Highest price paid per share (HK$)	Lowestprice paid per share (HK$)	Total amount paid (HK$)
June 2011	14,730,000	0.295	0.270	4,218,500
July 2011	138,580,000	0.380	0.305	48,949,200
August 2011	32,480,000	0.280	0.248	8,948,260
September 2011	57,350,000	0.285	0.192	13,962,020
October 2011	143,600,000	0.204	0.171	27,558,780
	386,740,000			103,636,760

All the repurchased shares were cancelled accordingly.

Subsequent to the year end date and prior to the date of this announcement, no shares were repurchased by the Company.

Given that the 2011 Repurchase Mandate is about to be fully exercised and that as announced by the Company on 13 January 2012, in light of the significant premium of the unaudited net asset value per share to the current price of the shares on the HK Stock Exchange, the Directors have proposed to seek approval from shareholders for a new mandate to repurchase up to a further 10% of the Company's current issued share capital at the extraordinary general meeting to be held on 28 March 2012 (as detailed in the shareholders' circular issued by the Company on 7 February 2012).

2. **For the Long Term Incentive Plan 2007**

During the year ended 31 December 2011, the Company, through its trustee, acquired an aggregate of 229,700,000 shares from the market and on the HK Stock Exchange for a total consideration of HK$58,409,480 (approximately US$7,537,000), which are to be vested to the respective eligible participants under the Company's Long Term Incentive Plan 2007 in accordance with the vesting schedule of the units granted, details of which are set out below:

Period	Number of shares acquired during the period	Highest price paid per share (HK$)	Lowest price paid per share (HK$)	Total amount paid (HK$)
25-28 March 2011	16,700,000	0.345	0.330	5,709,300
8-30 November 2011	194,780,000	0.265	0.227	48,367,310
1-6 December 2011	18,220,000	0.247	0.228	4,332,870
	229,700,000			58,409,480

Subsequent to the year end date and prior to the date of this announcement, no shares were acquired by the trustee.

Save for the above, the Company or its subsidiaries did not purchase, sell or redeem any of their listed securities, whether on the HK Stock Exchange or otherwise, during the year ended 31 December 2011 or subsequent to the year end date and prior to the date of this announcement.

PUBLICATION ON WEBSITES

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

DESPATCH OF ANNUAL REPORT

The annual report containing full details of the Company's audited final results for year ended 31 December 2011 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2012.

On Behalf of the Board of
Regent Pacific Group Limited

James Mellon
Co-Chairman

Directors of the Company:

James Mellon *(Co-Chairman)**
Stephen Dattels *(Co-Chairman)**
Jamie Gibson *(Chief Executive Officer)*
David Comba#
Julie Oates#
Mark Searle#
Jayne Sutcliffe*

* non-executive Directors
\# independent non-executive Directors

Hong Kong, 23 March 2012