
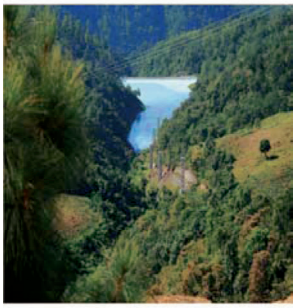


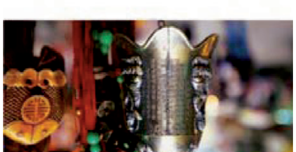

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575 *28 March 2014*

ANNOUNCEMENT

AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2013

PERFORMANCE OVERVIEW

A summary of the financial performance and other notable events for 2013 include:

- Loss attributable to shareholders of the Company of US$25.64 million, which was mainly attributable to the marked-to-market losses of US$14.67 million in respect of the Group's equity portfolio of financial assets at fair value through profit or loss ("**FAFVPL**"), which is a non-cash item

- Shareholders' equity of US$58.93 million or net asset value per share of US cents 1.69, a decrease of 58.27% as compared at 31 December 2012, which was mainly due to the payment of a special dividend of HK$0.13 per share (see below)

- Disposal of the Group's remaining position in BC Iron Limited ("**BCI**"), providing the Group with total gross proceeds (before expenses and taxes) of approximately US$84.73 million and a net realised loss of approximately US$3.99 million for the year ended 31 December 2013. However, taken as a whole, the disposal was successful because it provided the Group with an overall investment return of approximately US$48.18 million comprising sales proceeds (before expenses and taxes) of approximately US$85.06 million, a special dividend of approximately US$3.74 million, net of investment costs of approximately US$40.62 million, representing a "cash-on-cash" return of 2.19 times the Group's original cash investment, which was an outstanding result on an overall return basis

- Declaration of a special dividend of HK$0.13 per share (or US$58.44 million) on 28 January 2013, paid in cash on 15 March 2013

- Further investment of approximately US$4.72 million in the new enlarged Trinity Exploration & Production plc ("**Trinity**"), through participation in Trinity's US$90 million share placement completed in January 2013 following its merger with Bayfield Energy Holdings plc, as well as on market purchases of Trinity shares bringing the Group's position to approximately 4.12% of the enlarged share capital of the company

- Further investment in Condor Gold plc ("**Condor**"), pursuant to which the Group successfully subscribed for or otherwise received: (i) 3.29 million new shares for an aggregate cash consideration of approximately US$8.14 million; and (ii) the purchase through a series of on market acquisitions, in aggregate, for up to 0.40 million shares for an aggregate cash consideration of approximately US$0.84 million, bringing the Group's position to approximately 10.38% of its enlarged share capital

- Increasing the Group's strategic position in Plethora Solutions Holdings plc ("**Plethora**") to approximately 13.85% through participation in a share placement that was completed in October 2013

- Increasing the Group's strategic position in Venturex Resources Limited ("**Venturex**") by participating in an entitlements issue, following which the Group's position represented approximately 33.47% of the company's enlarged share capital

- Strong financial position with no debt, with over US$49.20 million in cash, listed and unlisted securities

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

- With effect from 1 January 2014 and in recognition of the Group's significant investment in Plethora, Jamie Gibson was appointed as CEO of Plethora and tasked primarily with driving Plethora's commercialisation of PSD 502. Following this appointment, the Group will equity account for its investment whereby the Group's consolidated financial statements will reflect its share (currently 14.81%) of the net assets or liabilities and net profit or loss of Plethora.

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

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**" or "**Regent**" and collectively with its subsidiaries, the "**Group**") announce the audited results of the Group for the year ended 31 December 2013, together with comparative figures for the year ended 31 December 2012, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	2013 US$'000	2012 US$'000
Continuing operations			
Revenue/Turnover:	3		
Corporate investment income		2,670	5,890
Other income		60	152
		2,730	6,042
Fair value loss on financial instruments	4	(18,754)	(6,927)
Total income less fair value loss on financial instruments		(16,024)	(885)
Expenses:			
Employee benefit expenses	5	(10,924)	(16,786)
Rental and office expenses		(880)	(889)
Information and technology expenses		(242)	(267)
Marketing costs and commissions		(9)	(22)
Professional and consulting fees		(1,203)	(1,021)
Other operating expenses		(648)	(1,025)
Operating loss before impairment loss and provisions		(29,930)	(20,895)
Impairment loss on available-for-sale financial assets	11	(510)	(6,686)
Impairment loss on interest in an associate	10	(1,200)	(9,338)
Operating loss	4	(31,640)	(36,919)
Share of results of associates		(420)	(1,430)
Loss before income tax		(32,060)	(38,349)
Taxation	6	6,334	(10,093)
Loss for the year from continuing operations		(25,726)	(48,442)

	Notes	2013 US$'000	2012 US$'000
Discontinued operations			
Gain on disposal of the Ji Ri Ga Lang Coal Project of US$4,409,000 (note 15), net of tax of US$991,000 (note 6)	14	—	3,418
		—	3,418
Loss for the year		(25,726)	(45,024)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets	11	(172)	(1,471)
Reclassification adjustment on impairment on available-for-sale financial assets		510	1,471
Exchange gain/(loss) on translation of financial statements of foreign operations		433	(69)
Reclassification of exchange reserve upon disposal of subsidiaries		—	(110)
Share of other comprehensive income of associates		26	(700)
Other comprehensive income for the year		797	(879)
Total comprehensive income for the year		(24,929)	(45,903)

	Notes	2013 US$'000	2012 US$'000
Loss for the year attributable to:			
Shareholders of the Company	7	(25,636)	(44,854)
Non-controlling interests		(90)	(170)
		(25,726)	(45,024)
Loss attributable to shareholders of the Company arises from:			
Continuing operations		(25,636)	(48,272)
Discontinued operations		—	3,418
		(25,636)	(44,854)
Total comprehensive income attributable to:			
Shareholders of the Company		(24,839)	(45,731)
Non-controlling interests		(90)	(172)
		(24,929)	(45,903)
Total comprehensive income attributable to shareholders of the Company arises from:			
Continuing operations		(24,839)	(49,149)
Discontinued operations		—	3,418
		(24,839)	(45,731)
Losses per share from continuing and discontinued operations:	9	US cent	US cent
– Basic and Diluted		(0.74)	(1.41)
Losses per share from continuing operations:	9	US cent	US cent
– Basic and Diluted		(0.74)	(1.52)
Earnings per share from discontinued operations:	9	US cent	US cent
– Basic and Diluted		—	0.11

Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	2013 US$'000	2012 US$'000
Non-current assets:			
Goodwill		—	—
Property, plant and equipment		199	294
Interests in associates	10	9,134	11,774
Available-for-sale financial assets	11	2,334	5,279
		11,667	17,347
Current assets:			
Cash and bank balances		9,055	11,447
Financial assets at fair value through profit or loss	16	37,814	119,058
Loan receivables		—	—
Prepayments, deposits and other receivables		3,597	2,441
Derivative financial instruments		506	1,571
		50,972	134,517
Current liabilities:			
Trade payables, deposit received, accruals and other payables	12	(3,305)	(3,374)
Derivative financial instruments		(437)	—
		(3,742)	(3,374)
Net current assets		47,230	131,143
Total assets less current liabilities		58,897	148,490
Non-current liabilities:			
Deferred tax liabilities	13	—	(7,197)
NET ASSETS		58,897	141,293
Capital and reserves attributable to shareholders of the Company			
Share capital		34,857	34,857
Reserves		24,070	106,376
Equity attributable to shareholders of the Company		58,927	141,233
Non-controlling interests		(30)	60
TOTAL EQUITY		58,897	141,293

Notes:

1. General Information

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

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

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

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

2.1 Adoption of amendments to HKFRSs – first effective 1 January 2013

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 19 (2011)	Employee Benefits

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

HKFRSs (Amendments) - Annual Improvements 2010-2012 Cycle

The Basis of Conclusions for HKFRS 13 Fair Value Measurement was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

Amendments to HKAS1 (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 and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 December 2013. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of profit or loss and other comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

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 accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest.

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

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

Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities[1]
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Mount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK (IFRIC) 21	Levies[1]
HKFRS 9	Financial Instruments
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

Amendments to HKAS 32 - Offsetting Financial Assets and Financial Liabilities

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

HKFRS 9 - Financial Instruments

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) - Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

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

3. Segment Information

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

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

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

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

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

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

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

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

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

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

For the year ended 31 December 2013

	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Revenue from external customers	—	—	2,730	2,730
Segment results	(16)	(1,531)	(30,093)	(31,640)
Share of results of associates	(3,012)	—	2,592	(420)
Total results	(3,028)	(1,531)	(27,501)	(32,060)
Unallocated				—
Consolidated loss before income tax expense from continuing operations				(32,060)

As at 31 December 2013

	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	99	22	51,050	51,171
Available-for-sale financial assets	—	—	2,334	2,334
Interests in associates	4,278	—	4,856	9,134
Total assets	4,377	22	58,240	62,639
Segment liabilities	2	—	3,740	3,742
Total liabilities	2	—	3,740	3,742

For the year ended 31 December 2013

	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Interest income on bank deposits	—	—	83	83
Depreciation	—	—	(97)	(97)
Share-based payments	—	—	(969)	(969)
Net losses on financial assets at fair value through profit or loss	—	—	(18,554)	(18,554)
Net losses on derivative financial instruments	—	—	(200)	(200)
Impairment on available-for-sale financial assets	—	—	(510)	(510)
Impairment on interest in an associate	(1,200)	—	—	(1,200)
Capital expenditure	—	—	(3)	(3)

For the year ended 31 December 2012

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

As at 31 December 2012

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

For the year ended 31 December 2012

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

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	
	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000
PRC	68	19	4,278	8,040
Hong Kong (domicile)	70	214	198	291
Australia	(697)	5,600	—	—
United States	1,725	34	—	—
United Kingdom	1,564	175	4,856	3,734
South East Asia[1]	—	—	1	3
	2,730	6,042	9,333	12,068

[1] South East Asia includes Singapore and Indonesia

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

4. Operating Loss

	Continuing operations		Discontinued operations		Total	
	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000
Operating loss is arrived at after charging:						
Auditors' remuneration						
- charge for the year	235	245	—	—	235	245
- under provision in prior year	30	34	—	—	30	34
Depreciation of owned property, plant and equipment	97	96	—	—	97	96
Operating lease charges on property and equipment	782	783	—	—	782	783
Loss on disposal of property, plant and equipment	1	14	—	—	1	14
Impairment loss on available-for-sale financial assets (note 11)	510	6,686	—	—	510	6,686
Impairment loss on interest in an associate (note 10)	1,200	9,338	—	—	1,200	9,338
Realised loss on disposal of financial assets at fair value through profit or loss@ (1)	3,880	7,881	—	—	3,880	7,881
Unrealised loss on financial assets at fair value through profit or loss@(1)	14,674	—	—	—	14,674	—
Realised loss on derivative financial instruments@ (2)	—	540	—	—	—	540
Unrealised loss on derivative financial instruments@ (2)	983	404	—	—	983	404
Share-based payments (equity settled)#	969	9,762	—	—	969	9,762
and crediting:						
Interest income on bank deposits and loan receivables*	83	99	—	—	83	99
Realised gain on disposal of the Ji Ri Ga Lang Coal Project ("**JRGL Coal Project**") (note 14)	—	—	—	4,409	—	4,409
Unrealised gain on financial assets at fair value through profit or loss@(1)	—	1,898	—	—	—	1,898
Realised gain on derivative financial instruments@ (2)	783	—	—	—	783	—
Net foreign exchange gain*	2,326	244	—	—	2,326	244
Dividend income from listed equities*	261	5,472	—	—	261	5,472
Dividend income from unlisted equities*	—	75	—	—	—	75

@ These amounts constitute the fair value loss of US$18,754,000 (2012: US$6,927,000) in the consolidated statement of comprehensive income.

Included in share-based payments were: (i) equity settled employee share-based payments of US$969,000 (2012: US$9,621,000) in relation to share awards granted to Directors, and (ii) equity settled non-employee share-based payment of Nil (2012: US$141,000) in relation to share awards granted to the Group's consultant.

* Included in revenue.

(1) During the year ended 31 December 2013, net losses on financial assets at fair value through profit or loss amounted to US$18,554,000 (2012: US$5,983,000).

(2) During the year ended 31 December 2013, net losses on derivative financial instruments amounted to US$200,000 (2012: US$944,000).

5. Employee Benefit Expenses (Including Directors' Emoluments)

	Continuing operations		Discontinued operations		Total	
	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000
Salaries, discretionary bonuses and benefits in kind	9,933	7,143	—	—	9,933	7,143
Pension costs - defined contribution plans	22	22	—	—	22	22
Share-based payments on share awards granted to Directors and employees	969	9,621	—	—	969	9,621
	10,924	16,786	—	—	10,924	16,786

6. Taxation

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

	Continuing operations		Discontinued operations		Total	
	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000	2013 US$'000	2012 US$'000
Current tax- overseas						
– tax for the year	—	2,896	—	991	—	3,887
Deferred tax (note 13)						
– current year	(6,334)	7,197	—	—	(6,334)	7,197
Income tax expense	(6,334)	10,093	—	991	(6,334)	11,084

No provision for Hong Kong profits tax has been made in these financial statements as all the Group companies which are subject to such tax have sustained losses for taxation purposes for the years ended 31 December 2013 and 2012. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Deferred tax credit for the year of US$6,334,000 (2012: charge of US$7,197,000) represents (reversal)/ provision of Australian Capital Gains Tax ("**CGT**") on certain Australian equity investments, as set out in note 13.

Share of associates' tax credit for the year ended 31 December 2013 of US$72,000 (2012: US$64,000) is included in the consolidated statement of comprehensive income as share of results of associates.

7. Loss Attributable to Shareholders

The loss attributable to shareholders includes a loss of US$11,978,000 (2012: US$44,771,000) which has been dealt with in the financial statements of the Company.

8. Dividends

	2013 US$'000	2012 US$'000
Special dividend paid: Hong Kong cents 13 per share (2012: Nil)	58,436	—

9. (Losses)/Earnings Per Share

(a) From continuing and discontinued operations

The calculation of basic losses per share is based on the loss attributable to the shareholders for the year of US$25,636,000 (2012: US$44,854,000) and on the weighted average of 3,461,360,934 (2012: 3,186,093,738) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic losses per share of the Group for the years ended 31 December 2013 and 2012. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2013 and 2012.

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

(b) From continuing operations

The calculation of basic losses per share is based on the loss from continuing operations attributable to the shareholders for the year of US$25,636,000 (2012: US$48,272,000) and on the weighted average of 3,461,360,934 (2012: 3,186,093,738) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic losses per share from continuing operations of the Group for the years ended 31 December 2013 and 2012. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2013 and 2012.

(c) From discontinued operations

The calculation of basic earnings per share is based on the profit from discontinued operations attributable to the shareholders for the year of nil (2012: profit of US$3,418,000) and on the weighted average of 3,461,360,934 (2012: 3,186,093,738) ordinary shares in issue during the year.

The share options outstanding have an anti-dilutive effect on the basic earnings per share from discontinued operations of the Group for the years ended 31 December 2013 and 2012. Accordingly, the effect of the share options was not included in the calculation of diluted earnings per share for the years ended 31 December 2013 and 2012.

10. Interests in Associates

	Group	
	2013 US$'000	2012 US$'000
Investments - unlisted shares, at cost less impairment	—	—
Share of net assets - unlisted	19,672	21,112
	19,672	21,112
Impairment	(10,538)	(9,338)
	9,134	11,774

Share of associates' tax credit for the year ended 31 December 2013 of US$72,000 (2012: US$64,000) is included in the consolidated statement of comprehensive income as share of results of associates.

Particulars of the associates as at 31 December 2013 are as follows:

Name of associate	Country of incorporation	Kind of legal entity	Issued and fully paid share capital held in associate	Percentage of equity interest attributable to the Company		Principal activity
				Direct	Indirect	
Regent Markets Holdings Limited	British Virgin Islands	International Business Company	Ordinary shares of US$99,800	49.9%	—	Online betting
West China Coking & Gas Company Limited	PRC	Sino-Foreign Joint Venture Company	Injected capital of RMB 79,910,000	—	25%	Production, processing and sale of coal, coke, gas and coal chemicals

During the year ended 31 December 2013, an impairment loss of US$1,200,000 (2012: US$9,338,000) has been recognised in the profit or loss for the Group's interests in an associate which is engaged in the coking coal production business. Coking coal produced is mainly sold to its parent company at a price as determined by the parent company, with reference to coal market price with a discount. Based on an impairment assessment, the recoverable amount, being its value in use, of the relevant asset is less than the carrying amount as a result of a significant increase in costs of production due to the unstable supply of raw materials and production lines laying idle as the result of the local government tightening safety requirements on coal mines in the nearby regions. The recoverable amount of the interests in the associate is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and growth rates, while coking coal and its related products are sold to its parent company for production. Growth rates are assumed to remain constant during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the coking coal business. The growth rates are based on coking coal production growth forecasts. Changes in the coking coal prices are based on expectations of the future changes in the market.

The recoverable amount of the interests in the associate is calculated based on cash flow forecasts covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 1% (2012: 1%). The rate used to discount the forecast cash flows is 15% (2012: 15%).

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

	2013 US$'000	2012 US$'000
Share of the associates' loss for the year	(420)	(1,430)
Share of the associates' other comprehensive income	26	(700)
Share of the associates' total comprehensive income	(394)	(2,130)
Aggregate carrying value of the Group's interest in the associates	9,134	11,774

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

11. Available-for-sale Financial Assets

	Group	
	2013	2012
	US$'000	US$'000
At 1 January	5,279	9,287
Additions	14	2,678
Disposals	(2,787)	—
Change in fair value	338	(1,471)
Impairment loss	(510)	(5,215)
At 31 December	2,334	5,279

Available-for-sale financial assets include the following:

	Group	
	2013	2012
	US$'000	US$'000
Unlisted securities		
Club debenture, at cost	19	19
Equity security, at cost	1,706	4,594
	1,725	4,613
Listed securities		
Equity security, at fair value	609	666
	2,334	5,279

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

During the year ended 31 December 2013, an impairment loss of US$510,000 (2012: US$6,686,000) was charged to profit or loss. The impairment loss charged to profit or loss comprised change in fair value loss of US$510,000 (2012: US$1,471,000) recognised in the investment revaluation reserve and also impairment of Nil (2012: US$5,215,000) directly charged to profit or loss.

During the year ended 31 December 2013, a fair value loss of US$510,000 (2012: US$1,471,000) has been recognised in the investment revaluation reserve in equity. Due to the significant decline in the fair value of such investment during the year, the same amount of fair value loss recognised in equity has been transferred out of the investment revaluation reserve and recognised in the profit or loss as an impairment loss.

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

At 31 December 2013 and 2012, the ageing analysis of the trade payables was as follows:

	Group	
	2013 US$'000	2012 US$'000
Due within 1 month or on demand	—	—
More than 6 months	100	96
	100	96

13. Deferred Tax

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

	2013 US$'000	2012 US$'000
At the beginning of the year	7,197	—
(i) (Reversal)/Provision of CGT on realised/unrealised gain of BCI shares	(11,681)	13,273
(ii) Reversal/(Recognition) of deferred tax asset arising from unrealised capital loss on Venturex shares	5,347	(6,076)
Net (credit)/charge to profit or loss for the year	(6,334)	7,197
(iii) Exchange gain arising from movement in A$ versus US$	(863)	—
At the end of the year	—	7,197
Representing:		
Deferred tax asset: Fair value loss on overseas securities	—	(6,076)
Deferred tax liability: Fair value gain on overseas securities	—	13,273
	—	7,197

(i) The deferred tax charge for the year ended 31 December 2012 arose from the potential CGT payable on the unrealised gain of the Company's interests in equity shares of BCI in the amount of A$12,783,976 (approximately US$13,274,000). The Company subsequently sold its BCI shares on 16 January 2013, and the Australian Taxation Office ("**ATO**") considered that CGT was payable in relation to the realised gain on such disposal. On 24 January 2013, the Company received orders from the Federal Court of Australia in relation to a notice of assessment issued by the ATO ("**Assessment**") for the amount referred to above. The amount of the potential tax was expressed to be due and payable on 2 December 2013, and the orders provided that the Company must not remove from Australia or dispose of, deal with or diminish the value of its assets in Australia up to the unencumbered value of the amount assessed. The Company sought external professional advice in relation to the orders and assessment and understands that the ultimate determination of the potential taxation liability will be subject to a valuation of BCI's real property (including mining tenements) and non-real property assets. In light of the Assessment and orders, the Directors considered it appropriate to make a provision for CGT as per the Assessment as at 31 December 2012 pending a final report and conclusion by the Company's professional advisors on this matter.

During the year, the Company received independent valuation advice from its professional advisors indicating that, based on a valuation of BCI's real property (including mining tenements) and non-real property assets, the Company has strong and compelling grounds to challenge the Assessment in its entirety. As a consequence of the advice received, the Company has written back the provision for CGT made in the previous year on the gain on BCI shares (which was shown under deferred tax as explained above) amounting to US$11,681,000 for the year ended 31 December 2013.

(ii) At 31 December 2012 the Company recognised a CGT credit or deferred tax asset arising on the unrealised capital loss on its investment in another Australian equity investment, Venturex. CGT credits may only be recognised or utilised to the extent the Company has CGT charges it can be used to offset against, such as the unrealised gain on BCI shares. Accordingly the Company recognised a deferred tax asset in respect of CGT for Venturex of US$6,076,000 at 31 December 2012.

During the year ended 31 December 2013, because of the sale of BCI shares in January 2013, there were no other potential CGT charges against which the Company could offset its CGT credits arising from the unrealised losses on its Venturex investment. Consequently, the Directors were not able to indicate with certainty that the Company would have future taxable capital gains to utilise the CGT credits on Venturex and the deferred tax asset arising from the unrealised capital loss on Venturex carried forward from the previous year was reversed.

(iii) During the year ended 31 December 2013, the Company recognised an exchange gain of approximately US$1,592,000 in relation to the potential CGT arising on the gain of BCI shares (as explained in (i) above) and an exchange loss of approximately US$729,000 in relation to the potential deferred tax assets on the unrealised loss of Venturex shares (as explained in (ii) above) respectively, as a consequence of the depreciation of the A$ against the US$ of approximately 14% during the year. In aggregate, there was a net exchange gain of approximately US$863,000.

14 Discontinued Operations

On 21 December 2011, the JRGL Coal Project, which constituted the Group's business of coal mining, was disposed of to the purchasers for a total consideration of RMB 115 million (or equivalent to approximately US$18.20 million), payable in cash. In the financial statements, the segment of coal mining was presented as discontinued operations. The disposal of the JRGL Coal Project was completed on 17 January 2012.

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

	Note	2012 US$'000
Revenue/ Turnover:		—
Expenses:		—
Operating loss	4	—
Gain on disposal of the JRGL Coal Project		4,409
Profit before taxation		4,409
Taxation		(991)
Profit for the year from discontinued operations		3,418
Profit for the year from discontinued operations attributable to:		
Shareholders of the Company		3,418
Non-controlling interests		—
		3,418

Details of the assets and liabilities of the JRGL Coal Project at the date of disposal are set out in note 15.

15. Disposal of Subsidiaries

On 17 January 2012, the Group disposed of its entire equity interest in its subsidiaries, RC(BVI) Limited ("**RC(BVI)**") and Abagaqi Changjiang Mining Company Limited ("**ACMC**"), which held the JRGL Coal Project in Inner Mongolia, PRC. This transaction and gain on disposal was recorded in the Group's results for the year ended 31 December 2012, further details of which are set out in note 14.

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

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

16. Financial assets at fair value through profit or loss

Certain of the Company's financial assets at fair value through profit or loss, namely its equity interests in Australian listed shares including holdings in Venturex, Bannerman Resources Limited and Tigers Realm Coal Limited, and whose market value at 31 December 2013 was approximately US$6.96 million (or equivalent to A$7.10 million), were secured by the Australian Commissioner of Taxation against an assessment issued by the same. Further details of this assessment and the security given by the Company are set out in the section headed "Charge on Assets" in the "Management's Discussion and Analysis of the Group's Performance".

CHAIRMAN'S STATEMENT

While 2013 was another challenging year for the global economy, together with commodities and financial markets, economic conditions did improve in the second half of the year with positive signs overflowing into the start of the current financial year.

Developing country GDP is estimated to have grown about 4.8% in 2013, roughly the same pace as in 2012, reflecting weakness at the start of the year. However, growth accelerated in the second half of 2013 and has generated a positive carry over for 2014.

Closer to home, policy direction from the recent third plenum in China has been received positively, with a notable emphasis on the market's role in allocating capital. Fiscal system transparency is a key aspect of reform, with an expected reshaping of the relationship between central and local government. However, as credit conditions in China now come under increased scrutiny, the Chinese economy is now in a period of tighter monetary and fiscal policy, as the central government addresses challenges associated with local government debt. Accordingly, volatility will continue as growth in China moderates from the relatively rapid rates seen during the past decade with the inevitable transition towards a consumption based economy.

In the developed world, during the December 2013 half year Europe experienced a period of relative stability while the United States' economy accelerated, with continued improvement in private sector balance sheets a notable supporting factor.

In particular, growth in the United States outperformed market expectations during the period. Despite volatility, a stronger labour market and increased consumer spending provided robust underlying support to the world's largest economy. Importantly, the private sector continued to provide significant impetus despite the Federal Reserve's progressive shift towards a tightening bias.

Improving sentiment in the United States and across Europe, while positive, does create a risk that the expected reversal of quantitative easing could result in the continued redirection of capital away from emerging economies. That said, this risk is mitigated somewhat for those emerging economies with sound macroeconomic policy fundamentals, while central banks are also likely to respond where necessary.

With the exception of energy, all the key commodity price indices declined significantly in 2013, with precious metals and base metals falling by some 17% and 5.5% respectively.

Into 2014, developing countries face significant headwinds as monetary policy returns to "normal" in high-income economies, to result in reduced capital flows to developing economies as global asset portfolios are rebalanced toward the high income economies. That said, the global economy, led by high income economies, is expected to strengthen over the next 12 months, providing support for commodities demand and pricing. The longer term outlook therefore remains robust, although supply is now better placed to keep pace with demand for some commodities.

Despite the macroeconomic challenges, during 2013, we were successful with our targeted divestment program with asset sales generating cash proceeds of approximately US$88.98 million, predominantly through the divestment of the Group's position in BCI. With the successful sale of BCI, we were pleased that we could continue our commitment to returning cash to shareholders and as result announced in January 2013, a special dividend of HK$0.13 per share that was paid to shareholders on 15 March 2013, a total cash outlay of approximately US$58.44 million.

We believe that there is hidden value within Regent Markets Holdings Limited ("**Regent Markets**"), where on a successful sale or listing of Regent Markets significant value could be 'unlocked'. For example, if a price earnings ratio of 7.5x 2013 earnings was applied on a successful sale or listing, a total value of approximately US$46.5 million for Regent Markets would be given. We valued our investment in Regent Markets at US$5.8 million in our balance sheet at 31 December 2013. Therefore, as part of our targeted 2014 divestment program, we are considering a divestment of Regent Markets that would seek to unlock this potential hidden value for the benefit of our shareholders.

The Group's portfolio FAFVPL incurred a realised and unrealised loss of approximately US$18.55 million. The total value of our portfolio of FAFVPL was approximately US$37.81 million as at 31 December 2013, down from approximately US$119.06 million in 2012, which was mainly due to the sale of our stake in BCI.

The Group's balance sheet remains strong, with cash balances and securities of FAFVPL standing at approximately US$46.87 million, with no external debt. Our net asset value per share was US cents 1.69 (HK cents 13.10) at the end of 2013.

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 acquisitions and will target small to medium sized companies within our core areas of focus.

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

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

Revenue and Profits

The Group recorded a net loss after tax and non-controlling interests of US$25.64 million, compared with the loss of US$44.85 million in 2012.

The corporate division (revenue and fair value loss on financial instruments) recorded a loss of US$16.02 million (2012: US$0.89 million).

The Group's associates, Regent Markets and West China Coking & Gas Company Limited ("**West China Coke**"), contributed a share of profit of US$2.59 million and a loss of US$3.01 million respectively to the Group.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from Regent Markets	2.59
Share of loss from West China Coke	(3.01)
Loss on disposal of the shares of BCI	(3.99)
Impairment loss on West China Coke	(1.20)
Impairment loss on available-for-sale financial assets	(0.51)
Corporate investment	(24.45)
Reversal of deferred tax assets	(5.35)
Write back of the provision of CGT	11.68
Metals mining	(1.53)
Others	0.13
Total loss attributable to owners of the Company	(25.64)

Financial Position

Shareholders' equity decreased by 58.27% to US$58.93 million as at 31 December 2013 from US$141.23 million as at 31 December 2012. The decrease was mainly due to: (i) the loss of US$25.64 million for the year ended 31 December 2013, which included bonus payments totaling US$5 million, (ii) the payment of a special dividend, which reduced the share premium by US$58.44 million, and these were offset against: (iii) the increase in market value of an available-for-sale financial asset, which increased the investment revaluation reserve by US$0.34 million, (iv) the share-based payment reserve increase of US$0.97 million due to the share-based payment on the Group's long term incentive share award scheme, and (v) the increase of the exchange reserve by US$0.46 million due to the share of reserve from associates.

The investments in Regent Markets of US$4.86 million and West China Coke of US$4.27 million accounted for 8.25% and 7.25% of shareholders' equity respectively. The Group's assets also comprised: (i) cash and bank balances of US$9.06 million, (ii) listed and unlisted investments of US$40.15 million, (iii) derivative financial instruments of US$0.51 million, and (iv) other assets and receivables of US$3.80 million.

The Group's liabilities comprised: (i) payables and accruals of US$3.31 million and (ii) derivative financial instruments of US$0.44 million.

Strategic Plan

The Board and the Group's senior management play an active role in the Group's strategy development and planning process. The Chief Executive Officer arranged offsite meetings with senior management in December 2013, during which management presented to the Chief Executive Officer proposed initiatives based on the Group's strategy for the 2014 financial year and beyond, and the status of strategy implementation together with the key initiatives undertaken. The Chief Executive Officer regularly interacts with the Board in respect of the strategic plan and direction of the Group, during which meetings the Chief Executive Officer seeks and is provided input in respect of the proposed priorities and initiatives previously discussed and agreed with senior management, aiming at developing an agreed approach for the Group to generate and preserve its long-term value, while agreeing shorter term priorities and objectives. In addition, the risks associated with the current operations and strategy of the Group are currently being tested by way of an internal audit process conducted through an independent service provider, with the aim of identifying ways in which the Group can better identify and manage its risks.

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

- divesting of non-core assets and investments to enable the Group to pursue growth opportunities covering our targeted commodities of choice (iron ore, copper, zinc, thermal and coking coal and gold) as well as opportunistic investments in the life sciences sector;
- leverage off our expert international and local teams to tackle difficult markets, deliver results and achieve global recognition; and
- utilise the Company's Hong Kong listing through strong liquidity and access to international capital markets, together with maintaining our corporate governance and social responsibility standards in line with the policies set down by the HK Stock Exchange and best practice.

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

In respect of the Group's commitment in divesting non-core assets, we are considering a divestment of Regent Markets in 2014 that would seek to unlock potential hidden value for the benefit of our shareholders. We believe that there is hidden value within Regent Markets, where on a successful sale or listing of Regent Markets significant value could be 'unlocked'. For example, if a price earnings ratio of 7.5x 2013 earnings was applied on a successful sale or listing, a total value of approximately US$46.5 million for Regent Markets would be given. We valued our investment in Regent Markets at US$5.8 million in our balance sheet at 31 December 2013.

Funding

As at 31 December 2013, the Group had US$9.06 million in cash and US$1.38 million on margin deposits held with the Group's brokers for trading of derivatives that represented 15.37% and 2.34% of its total shareholders' equity, which does not take into account the Group's holding of securities of FAFVPL that amounted to US$37.81 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 2013.

Contingent Liabilities

The Group has no material contingent liabilities as at 31 December 2013.

Litigation

As announced by the Company on 28 January 2013, 18 April 2013 and 23 August 2013, the Company received orders from the Federal Court of Australia in relation to an Assessment issued by the Commissioner of Taxation in the amount of A$12.8 million following completion of the sale of its securities in BCI for gross proceeds of A$81.6 million. The amount of potential tax assessed was expressed to be due and payable on 2 December 2013.

Following consultation with the Commissioner of Taxation and pursuant to the terms of the Settlement Deed , the Company agreed to grant The Commonwealth of Australia, represented by the Commissioner of Taxation, a specific security deed (as amended by way of a deed of amendment dated 27 November 2013) (together, the "**Specific Security Deed**") in respect of certain of the Company's investments in entities listed on the Australian Securities Exchange, as security against the Assessment, in consideration of the Commissioner of Taxation taking steps to discontinue the Court orders within 7 days of the date of the Specific Security Deed and staying recovery action in respect of the Assessment until the matter is resolved within the time provided for in any relevant law following the Final Determination of Objection.

Having executed the Settlement Deed and Specific Security Deed, the Company has, together with its external advisers, continued to focus on the merits of the Assessment. From advice received, the Company understands that the ultimate determination of the potential taxation liability will be subject to a valuation of BCI's real property (including mining tenements) and non-real property assets.

To this end, the Company has received independent valuation advice indicating that, based on a valuation of BCI's real property (including mining tenements) and non-real property assets at the relevant time, the Company has strong and compelling grounds based on current law in Australia to challenge the Assessment in its entirety.

Accordingly, the provision of A$12.78, million (or approximately US$11.65 million) in respect of the potential Australian taxation liability in relation to the realised gain on disposal of the Company's investment in BCI was written back in the financial statements for the half-year ended 30 June 2013 (as announced on 23 August 2013) and, prior to 2 December 2013, the Company filed a formal notice of objection with The Commonwealth of Australia, represented by the Commissioner of Taxation, objecting to the assessment.

The Company is continuing to work closely with its Australian advisers to determine the most appropriate course of action in respect of resolving the matter with the Commissioner of Taxation and will provide further updates to the market in due course.

The Company and its advisers are also closely monitoring any developments in Australian taxation law that may be relevant to its analysis and position and should any change or development take place the Company will, following advice, revisit its treatment of the potential Australian tax should the need arise. In this respect, should any change to Australian law or the interpretation thereof render the approach adopted by the Company and its external advisers in relation to this matter as being no longer correct or consistent with the relevant change or development, whether in whole or part, the calculations supporting the Company's position (with respect to the value ascribed to BCI's real property (including mining tenements) and non-real property assets at the relevant time) may change and potentially have a material and adverse effect on the Company's accounts going forward.

Charge on Assets

As announced by the Company on 28 January 2013, 18 April 2013 and 23 August 2013, the Company received orders from the Federal Court of Australia in relation to an Assessment issued by the Commissioner of Taxation in the amount of A$12.8 million following completion of the sale of its securities in BCI for gross proceeds of A$81.6 million. The amount of potential capital gains tax assessed is expressed to be due and payable on 2 December 2013.

Following consultation with the Commissioner of Taxation and pursuant to the terms of the Settlement Deed, the Company agreed to grant The Commonwealth of Australia represented by the Commissioner of Taxation, the Specific Security Deed (as defined in the paragraph headed "Litigation" above) in respect of certain of the company's holding of 518,103,930 shares in Venturex, 10,854,568 shares in Bannerman Resources Limited and 12,700,000 shares in Tigers Realm Coal Limited, of which the market value are A$5.18 million (or approximately US$4.62 million), A$0.53 million (or approximately US$0.47 million) and A$2.10 million (or approximately US$1.87 million) as at 31 December 2013 respectively, as security against the Assessment, in consideration of the Commissioner of Taxation taking steps to discontinue the Court orders within 7 days of the date of the Specific Security Deed and staying recovery action in respect of the Assessment until the matter is resolved within the time provided for in any relevant law following the Final Determination of Objection.

None of the Group's other assets was pledged as at 31 December 2013 (2012: Nil).

Management of Risk

In 2013, the most significant risk affecting the profitability and viability in respect of the Group is the continued success and revenue derived from its listed equity portfolio and in respect of the Group's interest in West China Coke. Risks relating to the Group's interests include:

Equity Markets

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

Price Risk

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

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

Co-operation of the Joint Venture Partners

Certain of the Group's mining 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 Group operates using US dollars. As such the Group 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 Group realises from its subsidiaries and associates and, in particular, its interest in West China Coke. This exposes the Group 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 Group.

Interest Rate Risk

The Group does not have any operating lines of credit or bank facilities. Therefore, the Group 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 2013, the amount of these margin deposits was US$1.38 million (2012: US$0.59 million). In terms of the total operations of the Group, activities of this nature are of limited materiality.

Foreign Currency

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

Material Acquisitions and Disposals

As previously announced, during the year the Group:

- increased its stakes in Condor to approximately 10.38% through a series of on market acquisitions and a share placement which was completed from February to April 2013 at a total cost of US$8.98 million;
- increased its stake in Trinity to approximately 4.12% at a cost of US$4.72 million through participation in Trinity's US$90 million share placement completed in January 2013 following its merger with Bayfield Energy Holdings plc, as well as on market purchases of Trinity shares;
- increased its stake in Plethora to 13.85% through participation in a share placement that was completed in October 2013;
- increased its strategic position in Venturex by participating in an entitlements issue, following which the Group's position represented approximately 33.47% of the company's enlarged share capital; and
- in January 2013, the Group successfully completed the disposal of the Group's remaining position in BCI, providing the Group with total gross proceeds (before expenses and taxes) of approximately US$84.73 million and a net realised loss of approximately US$3.99 million for the year ended 31 December 2013. However, taken as a whole, the disposal was successful because it provided the Group with an overall investment return of approximately US$48.18 million comprising sales proceeds (before expenses and taxes) of approximately US$85.06 million, a special dividend of approximately US$3.74 million, net of investment costs of approximately US$40.62 million, representing a "cash-on-cash" return of 2.19 times the Group's original cash investment, which was an outstanding result on an overall return.

Segmental Information

During the year ended 31 December 2013, there were no changes in the Group's industry segment.

Employees

The Group, including subsidiaries but excluding associates, employed approximately 19 employees at 31 December 2013 (2012: 24 employees). The remuneration policy is to reward key employees by a combination of salaries, profit related discretionary bonuses, share options and share awards, where appropriate. For employees below Board level, remuneration will be determined by the Director(s) responsible for the division whilst, for Directors, remuneration is determined by the Remuneration Committee of the Company. In all cases, profit related discretionary bonuses and grants of share rewards will be agreed by the Remuneration Committee of the Board.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: nil).

THE CORPORATE GOVERNANCE CODE

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 Corporate Governance Code (the "**CG Code**") in a manner consistent with best practices of a listed issuer. The primary responsibility for performing the corporate governance functions for the Company, as referred to in the terms of reference set out in Code Provision D.3.1 of the CG Code, rests with the Board, with the full support of the Company's secretary and its executive management.

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

As far as the Directors are aware, the Company has complied with the code provisions set out in the CG Code during the year ended 31 December 2013 and prior to the date of this announcement.

REVIEW BY THE AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2013 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. Its 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 former Code on Corporate Governance Practices and were recently amended on 13 March 2012 in order to comply with the relevant code provisions in the CG Code which were designated to take effect on 1 April 2012. The committee's purpose is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and the internal control and risk management systems of the Company, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

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

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

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

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

1. Under the Repurchase Mandates

A general mandate was granted to the Directors at the Company's annual general meeting held on 30 May 2012 to repurchase, on the HK Stock Exchange, shares up to a maximum of 348,573,052 shares (the "**2012 May Repurchase Mandate**"). Since 30 May 2012, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2012 May Repurchase Mandate.

The 2012 May Repurchase Mandate expired upon close of the Company's annual general meeting held on 19 June 2013, at which a new general mandate was granted to the Directors to repurchase, on the HK Stock Exchange, shares up to a maximum of 348,573,052 shares (the "**2013 Repurchase Mandate**"). Since 19 June 2013 and prior to the date of this announcement, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2013 Repurchase Mandate.

2. For the Long Term Incentive Plan 2007

No shares were acquired by the Company from the market and on the HK Stock Exchange, through its independent trustee, for the Company's Long Term Incentive Plan 2007 during the year ended 31 December 2013 or prior to the date of this announcement.

The Long Term Incentive Plan 2007 was terminated on 31 May 2013 pursuant to its rules with all outstanding units under the plan duly vested to the respective unitholders before the termination. Upon the termination of the plan, the related trust was closed and the relevant trust deed was terminated on 31 May 2013.

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 2013 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 2013 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2014.

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, 28 March 2014