

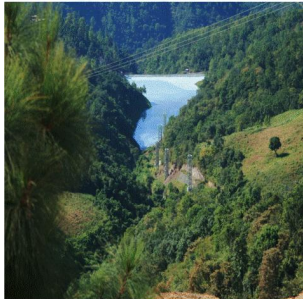


Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

23 August 2013



ANNOUNCEMENT

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

UPDATE ON AUSTRALIAN TAXATION

SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Rule 13.09 of the HK Listing Rules and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

By way of an update to the Company's announcements of 28 January and 18 April 2013, the Directors of the Company are pleased to now inform Shareholders that the Company has received independent valuation advice indicating that, based on a valuation of BC Iron Limited'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 Group will write back the provision for capital gains tax on the sale of its investment in BC Iron Limited of A\$12,783,976.50 (or approximately US\$11,650,038 or HK\$90,870,296) for the six months ended 30 June 2013.



During the six months ended 30 June 2013, the Group recognised an exchange gain of US\$1,592,000 (or approximately HK\$12,417,600) in relation to the provision for capital gains tax on the sale of its investment in BC Iron Limited, as a consequence of the A\$ having depreciated by approximately 12 per cent. against US\$ for the same period.

As such, the Group 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.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) in compliance with the disclosure requirements under Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HK Listing Rules**”) and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Unless the context otherwise requires, capitalized terms used in this announcement shall have the meaning given to them in the Company’s announcement dated 18 April 2013.

As announced by the Group on 28 January 2013, the Group received orders from the Federal Court of Australia in relation to an Assessment issued by the Commissioner of Taxation in the amount of A\$12.78 million (or approximately US\$11.65 million or HK\$90.87 million) following completion of the sale of its securities in BC Iron Limited for gross proceeds of A\$81.61 million (or approximately US\$86.21 million or HK\$672.45 million, as per the applicable exchange rates at the time of the disposal). The amount of potential tax assessed is expressed to be due and payable on 2 December 2013.

As further announced on 18 April 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 in respect of certain of the Company’s shares in Venturex Resources Limited, 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 terms of which were detailed in the Group's announcement dated 18 April 2013), the Group has been taking external professional advice in respect of the merits of the Assessment.

The directors (the "**Directors**" or the "**Board**") of the Company are pleased to now inform the shareholders of the Company (the "**Shareholders**") that the Company has received independent valuation advice indicating that, based on a valuation of BC Iron Limited'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 Group will write back the provision for capital gains tax on the sale of its investment in BC Iron Limited of A\$12,783,976.50 (or approximately US\$11,650,038 or HK\$90,870,296) for the six months ended 30 June 2013.

During the six months ended 30 June 2013, the Group recognised an exchange gain of US\$1,592,000 (or approximately HK\$12,417,600) in relation to the provision for capital gains tax on the sale of its investment in BC Iron Limited, as a consequence of the A\$ having depreciated by approximately 12 per cent. against the US\$ for the same period.

As such, the Group 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.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Note: Unless otherwise specified herein, (i) amounts dominated in A\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of A\$1.00 = US\$0.9113; and (ii) amounts dominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80

On behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director



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 August 2013