Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575 30 March 2015

ANNOUNCEMENT

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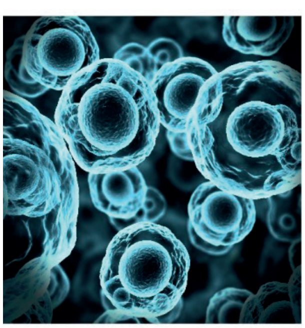
AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

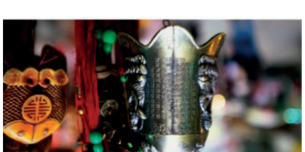
PERFORMANCE OVERVIEW

A summary of the financial performance and other notable events for 2014 include:

- Loss attributable to shareholders of the Company of US$8.56 million, which was mainly due to: (i) the marked-to-market losses of US$11.66 million in respect of the Company's equity portfolio of financial assets at fair value through profit or loss, which is a non-cash item; (ii) the shared loss of associates by equity accounting of US$10.60 million; and (iii) the loss on deemed disposal of the interest in an associate, Plethora Solutions Holdings plc ("**Plethora**"), of US$6.02 million while being offset, somewhat, by: (iv) the unrealised gain from bargain purchase of Plethora of US$25.81 million due to the Group having re-classified Plethora, consistent with applicable accounting standards, as an associate of the Group from 1 January 2014



- Shareholders' equity of US$48.75 million or net asset value per share of Hong Kong cents 10.84 (US cents 1.40), a decrease of 17.27% as compared with that as at 31 December 2013, which was mainly due to the loss attributable to shareholders of the Company of US$8.56 million stated above



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- With effect from 1 January 2014 and in recognition of the Company's significant investment in Plethora as an associate of the Group, Jamie Gibson was appointed as an executive director and CEO of Plethora and tasked primarily with driving Plethora's commercialisation of its central product, PSD502™. Following this appointment, the Company has equity accounted for its investment whereby the Group's consolidated financial statements reflect its share (currently 12.75%) of the net loss of Plethora

- The further investment of GBP 2.28 million (or approximately US$3.70 million or HK$28.64 million) for 25.30 million new Plethora shares, together with attaching warrants, in Plethora pursuant to a subscription agreement entered into with Plethora on 29 August 2014, a discloseable transaction of the Group as announced on 1 September 2014

- Helping Plethora secure the appointment of: (i) Pharmaserve (North West) Limited ("**PSNW**") in March 2014 to undertake the manufacturing development leading to the successful introduction of the new six dose canister of PSD502™ for premature ejaculation; and (ii) Recordati in September 2014, a European pharmaceutical group, to commercialise PSD502™ in Europe, Russia, the Commonwealth of Independent States, Turkey and certain countries of North Africa pursuant to a licensing agreement, both being key final steps in making the product available for a successful launch in multiple territories

- Maintaining and actively monitoring its existing and significant investments in Venturex Resources Limited ("**Venturex**"), Trinity Exploration & Production plc ("**Trinity**"), Condor Gold plc ("**Condor**") and Endeavour Mining Corporation ("**Endeavour**")

- Receipt of US$2.80 million (or approximately HK$21.71 million) from Binary Holdings Ltd. ("**Binary**", formerly known as "Regent Markets Holdings Ltd."), currently a 49.90 per cent owned associated company of the Company, by way of dividends throughout the year (see further below in respect of the contemplated disposal)

- In respect of the previously disclosed litigation commenced by the Group against, among others, Blue Pacific Coal Pte. Ltd. and its controllers in Singapore, the Company can disclose that High Court Suit No. 666 of 2014 has been settled. The terms of the settlement are confidential

- Strong financial position with no debt with over US$19.59 million in cash, listed and unlisted securities

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

- On 16 January 2015 and on 4 March 2015, the Company announced its intention to dispose of up to 938,978 shares in Binary, being a majority of its shareholding in Binary (currently a 49.90% owned associated company of the Company), for an aggregate consideration of US$15 million (or approximately HK$117 million) in cash, before interest, representing a realised "cash-on-cash" return of 12.92 times the Company's original cash investment of approximately US$1,881,719 (or approximately HK$14,677,408), which is a remarkable result achieved in a period of approximately 15 years, inclusive of dividends received. The disposal is a major and connected transaction of the Group, pursuant to which an announcement was made, a circular was dispatched and Extraordinary General Meeting ("**EGM**") will be held on 2 April 2015 pursuant to which shareholders' approval at the EGM is required for the closing of the disposal of 938,978 shares in Binary

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 focussing on the enhancement of our core businesses and by continuing to pursue accretive 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 2014, together with comparative figures for the year ended 31 December 2013, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Revenue/Turnover:	3		
Corporate investment income		(10)	2,670
Other income		216	60
		206	2,730
Fair value loss on financial instruments	4	(11,213)	(18,754)
Total income less fair value loss on financial instruments		(11,007)	(16,024)
Expenses:			
Employee benefit expenses	5	(4,215)	(10,924)
Rental and office expenses		(814)	(880)
Information and technology expenses		(184)	(242)
Marketing costs and commissions		(7)	(9)
Professional and consulting fees		(995)	(1,203)
Other operating expenses		(516)	(648)
Operating loss before impairment loss and provisions		(17,738)	(29,930)
Reversal of impairment on loan receivables		250	—
Impairment loss on available-for-sale financial assets	11	(267)	(510)
Impairment loss on interest in an associate	10	—	(1,200)
Operating loss	4	(17,755)	(31,640)
Gain from bargain purchase of an associate	10	25,809	—
Loss on deemed disposal of an associate	10	(6,017)	—
Share of results of associates	10	(10,604)	(420)
Loss before income tax		(8,567)	(32,060)
Taxation	6	—	6,334
Loss for the year		(8,567)	(25,726)

	Notes	2014 US$'000	2013 US$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets		(204)	(172)
Reclassification adjustment on impairment on available-for-sale financial assets		267	510
Exchange gain on translation of financial statements of foreign operations		69	433
Share of other comprehensive income of associates		(1,751)	26
Other comprehensive income for the year		(1,619)	797
Total comprehensive income for the year		(10,186)	(24,929)
Loss for the year attributable to:			
Shareholders of the Company	7	(8,563)	(25,636)
Non-controlling interests		(4)	(90)
		(8,567)	(25,726)
Total comprehensive income attributable to:			
Shareholders of the Company		(10,182)	(24,839)
Non-controlling interests		(4)	(90)
		(10,186)	(24,929)
Losses per share attributable to shareholders of the Company during the year	9	US cent	US cent
– Basic and Diluted		(0.25)	(0.74)

Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Non-current assets:			
Property, plant and equipment		108	199
Goodwill		—	—
Interests in associates	10	30,206	9,134
Available-for-sale financial assets	11	2,130	2,334
		32,444	11,667
Current assets:			
Cash and bank balances		3,588	9,055
Financial assets at fair value through profit or loss	14	13,876	37,814
Loan receivables		250	—
Prepayments, deposits and other receivables		1,217	3,597
Derivative financial instruments		940	506
		19,871	50,972
Current liabilities:			
Trade payables, deposit received, accruals and other payables	12	(3,271)	(3,305)
Derivative financial instruments		(333)	(437)
		(3,604)	(3,742)
Net current assets		16,267	47,230
Total assets less current liabilities		48,711	58,897
Non-current liabilities:			
Deferred tax liabilities	13	—	—
NET ASSETS		48,711	58,897
Capital and reserves attributable to shareholders of the Company			
Share capital		34,857	34,857
Reserves		13,888	24,070
Equity attributable to shareholders of the Company		48,745	58,927
Non-controlling interests		(34)	(30)
TOTAL EQUITY		48,711	58,897

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$**"), which is also the functional currency of the Company. All values are rounded to the nearest thousand ("**US$'000**") except when otherwise indicated.

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 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**").

The Company is engaged in investment holding, and the principal activities of the Group consist of an investment in a biophamra company, exploration and mining of natural resources and other corporate investments. The principal place of business of the Group is in Hong Kong.

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

2.1 Adoption of amendments to HKFRSs – first effective 1 January 2014

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) 21	Levies

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. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

Amendments to HKAS 36 – Recoverable Amount Disclosures for Non-financial Assets

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit ("**CGU**") to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any impaired assets or CGUs.

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 adoption of the amendments has no impact on these financial statements as the Company is not an investment entity.

Amendments to HKAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

The amendments provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not apply hedge accounting.

HK (IFRIC) 21 - Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation has been applied retrospectively.

The adoption of HK (IFRIC) 21 has no impact on these financial statements as the interpretation is consistent with the Group's existing accounting policies on provisions.

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 HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
HKFRS 9 (2014)	Financial Instruments[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers[4]
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or transactions occurring, on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 January 2016
[4] Effective for annual periods beginning on or after 1 January 2017
[5] Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 27 - Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) - Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at financial assets at fair value through profit and loss ("**FAFVPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FAFVPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FAFVPL, where the amount of change in fair value attributable to change in credit risk of the 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 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business, the gain or loss is recognised in full, and conversely when the transaction involves assets that do not constitute a business, the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 - Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

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

2.3 New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The new Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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 four product and service lines as operating segments as follows:

Biopharma	:	Research, development, manufacturing, marketing and sale of pharmaceutical products
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 2014

	Biopharma US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Revenue from external customers	—	—	—	206	206
Segment results	—	(20)	(907)	(16,828)	(17,755)
Gain from bargain purchase of an associate	25,809	—	—	—	25,809
Loss on deemed disposal of an associate	(6,017)	—	—	—	(6,017)
Share of results of associates	(10,178)	(4,057)	—	3,631	(10,604)
Total results	9,614	(4,077)	(907)	(13,197)	(8,567)
Unallocated					—
Consolidated loss before income tax expense					(8,567)

As at 31 December 2014

	Biopharma US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	—	48	10	19,921	19,979
Available-for-sale financial assets	—	—	—	2,130	2,130
Interests in associates	24,499	1	—	5,706	30,206
Total assets	24,499	49	10	27,757	52,315
Segment liabilities	—	—	—	3,604	3,604
Total liabilities	—	—	—	3,604	3,604

For the year ended 31 December 2014

	Biopharma US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Interest income on bank deposits	—	—	—	2	2
Reversal of impairment on loan receivables	—	—	—	250	250
Net gains on derivative financial instruments	—	—	—	440	440
Depreciation	—	—	—	(94)	(94)
Net losses on financial assets at fair value through profit or loss	—	—	—	(11,653)	(11,653)
Impairment on available-for-sale financial assets	—	—	—	(267)	(267)
Capital expenditure	—	—	—	(2)	(2)

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				(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)

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	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
China	—	68	1	4,278
Hong Kong (domicile)	54	70	108	198
Australia	30	(697)	—	—
United States	(35)	1,725	—	—
United Kingdom	157	1,564	30,205	4,856
South East Asia[1]	—	—	—	1
	206	2,730	30,314	9,333

[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

	2014 US$'000	2013 US$'000
Operating loss is arrived at after charging:		
Auditors' remuneration		
– charge for the year	232	235
– under provision in prior year	29	30
Depreciation of owned property, plant and equipment	94	97
Operating lease charges on property and equipment	718	782
Loss on disposal of property, plant and equipment	—	1
Impairment loss on available-for-sale financial assets (note 11)	267	510
Impairment loss on interest in an associate (note 10)	—	1,200
Realised loss on disposal of financial assets at fair value through profit or loss[(@) (1)]	—	3,880
Unrealised loss on financial assets at fair value through profit or loss[(@) (1)]	11,663	14,674
Unrealised loss on derivative financial instruments[(@) (2)]	—	983
Net foreign exchange loss[*]	40	—
Share-based payments (equity settled)[#]	—	969
and crediting:		
Interest income on bank deposits and loan receivables[*]	2	83
Realised gain on disposal of financial assets at fair value through profit or loss[(@) (1)]	10	—
Realised gain on derivative financial instruments[(@) (2)]	325	783
Unrealised gain on derivative financial instruments[(@) (2)]	115	—
Net foreign exchange gain[*]	—	2,326
Dividend income from listed equities[*]	28	261
Reversal of impairment on loan receivables	250	—

@ These amounts constitute the fair value loss of US$11,213,000 (2013: US$18,754,000) in the consolidated statement of comprehensive income.

Included in share-based payments were: (i) equity settled employee share-based payments of Nil (2013: US$969,000) in relation to share awards granted to Directors.

* Included in revenue.

(1) During the year ended 31 December 2014, net losses on financial assets at fair value through profit or loss amounted to US$11,653,000 (2013: US$18,554,000).

(2) During the year ended 31 December 2014, net gains on derivative financial instruments amounted to US$440,000 (2013: net loss of US$200,000).

5. Employee Benefit Expenses (Including Directors' Emoluments)

	2014 US$'000	2013 US$'000
Salaries, discretionary bonuses and benefits in kind	4,191	9,933
Pension costs - defined contribution plans	24	22
Share-based payments on share awards granted to Directors and employees	—	969
	4,215	10,924

6. Taxation

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

	2014 US$'000	2013 US$'000
Current tax- overseas		
– tax for the year	—	—
Deferred tax (note 13)		
– current year	—	(6,334)
Income tax expense	—	(6,334)

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 2014 and 2013. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Deferred tax credit for 2013 represented reversal 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 2014 of US$231,000 (2013: US$72,000) 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$25,868,000(2013: US$11,978,000) which has been dealt with in the financial statements of the Company.

8. Dividends

	2014 US$'000	2013 US$'000
Special, paid Hong Kong cents 13 per share	—	58,436

9. Losses Per Share

The calculation of basic losses per share is based on the loss attributable to the shareholders for the year of US$8,563,000 (2013: US$25,636,000) and on the weighted average of 3,485,730,523 (2013: 3,461,360,934) 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 2014 and 2013. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2014 and 2013.

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

10. Interests in Associates

(i) Movement in interests in associates is summarised in the table below:

	Group	
	2014 US$'000	2013 US$'000
As at 1 January	9,134	11,774
Reclassified from FAFVPL (iii)	12,026	—
Addition	4,404	—
Gain from bargain purchase (iii)	25,809	—
Loss on deemed disposal (iii)	(6,017)	—
Dividend received	(2,795)	(1,046)
Share of results of associates	(10,604)	(420)
Impairment loss	—	(1,200)
Exchange (loss)/gain on translation of financial statement of associates	(1,751)	26
As at 31 December	30,206	9,134

	Group	
	2014 US$'000	2013 US$'000
Investment		
– unlisted shares, at cost less impairment	—	—
– listed overseas shares, at cost	—	—
Share of net assets - unlisted	16,245	19,672
Share of net assets - listed	24,499	—
	40,744	19,672
Impairment	(10,538)	(10,538)
	30,206	9,134
Market value of listed investment, overseas	10,015	N/A

(ii) At 31 December 2014, the Group's associates and their carrying value comprised the following:

	2014 US$'000	2013 US$'000
Binary	5,706	4,856
West China Coking & Gas Company Limited ("**West China Coke**")	1	4,278
Plethora	24,499	—
	30,206	9,134

Share of associates' tax credit for the year ended 31 December 2014 of US$231,000 (2013: US$72,000) is included in the consolidated statement of comprehensive income as share of results of associates.

Name of associate	Country of incorporation/ continuation	Kind of legal entity	Issue and fully paid share capital held in associate	Percentage of equity interest attributable to the Company		Principal activity
				Direct	Indirect	
Binary Holdings Ltd. (formerly known as Regent Market Holdings Ltd.)	Continued in the Cayman Islands	Limited Liability Exempted Company	Ordinary shares of US$99,800	49.9%	—	Online options trading platform
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
Plethora Solutions Holdings plc	United Kingdom	UK Limited Liability Company	Ordinary shares of GBP 867,995	12.75%	—	Development and marketing of products for the treatment and management of urological disorders

(iii) Plethora reclassified as an associate from FAFVPL on 1 January 2014

Plethora was incorporated in the United Kingdom and its shares are traded on the Alternative Investment Market ("**AIM**") on the London Stock Exchange. Its principal activities are the research, development, manufacturing, marketing and sale of a pharmaceutical products for the treatment and management of premature ejaculation.

The Group started accumulating its interest in Plethora from 2011 and accounted for its interest as FAFVPL. As at 31 December 2013 the Group held a 13.85% interest in Plethora at a carrying value of US$12,026,000, which was based on its last quoted market price on the AIM as at that date.

On 1 January 2014, the Group's Chief Executive Officer, Jamie Gibson was appointed as the Chief Executive Officer and as an executive director of Plethora. This appointment was on behalf of the Group and consequently the Directors consider the Group has significant influence over the financial and operating decisions of Plethora. Accordingly, from 1 January 2014, the Group has reclassified its interest in Plethora as an associate from FAFVPL.

Under HKAS 28 "Investments in Associates and Joint Ventures", on the date when Plethora became an associate, the Group is required to identify the difference between cost of the investment and the net fair value of the investee's identifiable assets and liabilities. Where the Group's share of net fair value of the identifiable assets and liabilities is greater than the cost or carrying value of the investment, such difference, sometimes referred to as a "bargain purchase", is taken to profit and loss.

The fair values of identifiable assets and liabilities of Plethora on 1 January 2014 are set out below:

	Fair values recognised on 1 January 2014 US$'000	Carrying values on 1 January 2014 US$'000
Intangible asset	253,460	—
Trade and other receivables	822	822
Cash and cash equivalents	5,164	5,164
Trade and other payables	(1,918)	(1,918)
Convertible bonds	(5,677)	(5,677)
Warrants	(9,675)	(9,675)
Deferred tax liability	(25,346)	—
Net assets/(liabilities) acquired	216,830	(11,284)

The fair value of consideration transfer:

	US$'000
Share of total identifiable net assets at fair value (13.85% interest)	30,031
Gain from bargain purchase of associate	(18,005)
Deemed consideration on acquisition	12,026

The significant difference between the carrying values of the assets and liabilities as reflected by Plethora in its books and the fair values of the same as determined by the Group as at 1 January 2014 is the valuation attributed to an intangible asset or patent referred to as PSD502™, a pharmaceutical product for the treatment of premature ejaculation ("**PE**"). Plethora has self-developed this product and has not capitalised any of the costs used to develop PSD502™ nor any of the future value this product may derive. The Group, with the assistance of a professional independent valuation expert, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, has determined the fair value of PSD502™ to be in the region of GBP 153 million (or approximately US$253,460,000 at the then exchange rate between GBP and US$).

The valuation of PSD502™ was based on the "relief from royalty method", whereby the value of the patent is based on the present worth of future economic benefits to be derived from the projected royalty income. This method is a widely accepted and commonly used valuation method to value intangible assets, including patents and trademarks. Key assumptions underlying the valuation were the discount rate, which ranged from 17% to 21%, life of the patent, market size and expected market share, royalty rates that can be achieved, timing of product launch dates and sales volumes. A corresponding deferred tax liability of US$25.35 million (or GBP 15.30 million) was determined based on the valuation of the patent (PSD502™) using the expected corporate tax rate at which the royalty income from this intangible asset will be taxed at.

As a result of this fair value exercise, the Group determined there was a bargain purchase gain arising from the equity accounting of Plethora of US$18,005,000. Subsequently, on 10 January 2014, the Group acquired further 4,000,000 ordinary shares of Plethora, which increased the Group's ownership to 14.81% for a consideration of US$711,000. The Group made a further bargain purchase gain on this purchase of US$1,370,000. On 15 September 2014, one of the convertible loan notes holders converted its convertible loan notes with principal amount of GBP 200,000 into 14,632,600 ordinary shares of Plethora, which diluted the Group's ownership from 14.81% to 14.31% and gave rise to a loss on deemed disposal of an associate of US$923,000. On 18 September 2014, the Group subscribed for further 25,299,490 ordinary shares of Plethora at GBP 0.09 per share, together with 12,649,745 fundraising warrants exercisable at GBP 0.15 each for a period up to 19 September 2019, for a consideration of US$3,693,000, which increased the Group's ownership to 19.07%. The Group made a bargain purchase gain of US$6,434,000 on this purchase, giving rise to a total gain from bargain purchase for the year of US$25,809,000. This has been credited as income in the consolidated statement of comprehensive income for the year ended 31 December 2014.

By way of a placing and subscription on 19 September 2014, a total of 176,998,486 ordinary shares at GBP 0.09 per share and 88,499,236 fundraising warrants exercisable at GBP 0.15 each were issued by Plethora, which diluted the Group's ownership from 19.07% to 13.73% and gave to a loss on deemed disposal of an associate of US$2,765,000. On 29 September 2014, Plethora announced that a notice has been received from a convertible loan notes holder to convert convertible loan notes with principal amount of GBP 800,000 into 48,806,575 ordinary shares of Plethora, which diluted the Group's ownership from 13.73% to 12.75% and give rise to a loss on deemed disposal of an associate of US$2,329,000. In total, the Group has recognised losses of US$6,017,000 from deemed disposals of interests (dilution in interest) in Plethora arising from convertible notes holders converting to equity and placement of new shares which have been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2014.

(iv) Assessment for impairment of associates

During the year ended 31 December 2014, no impairment loss has been recognised in the profit or loss for the Group's interests in associates. As part of this assessment, the Directors noted that the carrying value of the Group's interest in Plethora exceeded the market value of its equity interest in Plethora. The Directors accordingly carried out an impairment assessment to determine whether the recoverable amount of this associate was greater than its carrying value. To determine the recoverable amount, the Directors carried out a value in use calculation using essentially the same basis/model as used in the exercise to determine the fair value of the associate's net assets in January 2014 (as set out in (iii) above).

The recoverable amount of the interest in Plethora was calculated based on cash flow forecasts covering a period up to 2025 representing the remaining estimated useful life of the patent. The rate used to discount the forecast cash flows was in the range of 16% to 19%. The key assumptions for the value-in-use calculations were those regarding the discount rates, growth rates and royalty rates in respect of five major regions and the premature ejaculation prevalence rate of 25%. The value in use figure determined as at 31 December 2014 was higher than the carrying value of the interest in Plethora, and accordingly no impairment loss was considered necessary.

During the year ended 31 December 2013, an impairment loss of US$1,200,000 was recognised in the profit or loss for the Group's interest in the associate, West China Coke, which is engaged in the coking coal production business. Coking coal produced was mainly sold to its parent company at a price as determined by the parent company, with reference to the coal market price with a discount. Based on an impairment assessment, the recoverable amount, being its value in use, of the relevant asset was less than the carrying amount as a result of a significant increase in costs of production due to unstable of supply raw materials and production lines laying idle as the result of local government's tightened safety requirement on coal mines in the nearby regions. The recoverable amount of the interest in the associate was determined from value-in-use calculations. The key assumptions for the value-in-use calculations were 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 estimated discount rates using pre-tax rates that reflected current market assessments of the time value of money and the risks specific to the coking coal business. The growth rates were based on coking coal production growth forecasts. Changes in the coking coal prices were based on expectations of the future changes in the market. No further impairment assessment was made for West China Coke in 2014, as the Group's share of its losses for 2014 brought the carrying value of West China Coke to US$1,000 (2013: US$4.28 million) as at 31 December 2014.

(v) Summarised financial information of associates

The following table illustrates the summarised aggregate financial information of the Group's material associate, Plethora, prepared in accordance with International Financial Reporting Standards which are equivalent to HKFRSs and adjusted for the effect of the fair value adjustments at the date Plethora became an associate of the Group.

	2014 US$'000	2013 US$'000
As at 31 December		
Non-current assets	198,897	—
Current assets	8,736	—
Current liabilities	(1,739)	—
Non-current liabilities	(13,681)	—
Included in the above amounts are:		
Cash and cash equivalents	7,893	—
For the year ended 31 December		
Revenue	6,017	—
Loss for the year	(67,723)	—
Other comprehensive income for the year	(12,111)	—
Total comprehensive income for the year	(79,834)	—
Dividend received from an associate	—	—
Included in the above amounts are:		
Depreciation and amortisation	(39,732)	—
Interest income	5	—
Interest expense	(1,455)	—
Income tax credit	2,112	—

The following table illustrates the summarised aggregate financial information of the remaining associates which are not material to the Group.

	2014 US$'000	2013 US$'000
For the year ended 31 December		
Loss for the year	(15,375)	(12,152)
Other comprehensive income	(853)	104
Total comprehensive income	(16,228)	(12,048)

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

11. Available-for-sale Financial Assets

	Group	
	2014	2013
	US$'000	US$'000
As at 1 January	2,334	5,279
Additions	—	14
Disposals	—	(2,787)
Change in fair value	63	338
Impairment loss	(267)	(510)
As at 31 December	2,130	2,334

Available-for-sale financial assets include the following:

	Group	
	2014	2013
	US$'000	US$'000
Unlisted securities		
Club debenture, at cost	19	19
Equity security, at cost	1,706	1,706
	1,725	1,725
Listed securities		
Equity security, at fair value	405	609
	2,130	2,334

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 2014, a fair value loss of US$267,000 (2013: US$510,000) 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

As at 31 December 2014 and 2013, the ageing analysis of the trade payables was as follows:

	Group	
	2014 US$'000	2013 US$'000
Due within 1 month or on demand	—	—
More than 6 months	99	100
	99	100

13. Deferred Tax

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

	2014 US$'000	2013 US$'000
At the beginning of the year	—	7,197
(i) Reversal of CGT on gain of shares of BC Iron Limited ("**BCI**")	—	(11,681)
(ii) Reversal of deferred tax asset arising from unrealised capital loss on Venturex shares	—	5,347
Net credit to profit or loss for the year	—	(6,334)
(iii) Net exchange gain arising from movement in A$ versus US$	—	(863)
At the end of the year	—	—

(i) In 2012, deferred taxation was provided in relation to the potential CGT payable on the unrealised gain of the Company's interests in equity shares of BCI. This amounted to A$12,784,000 (approximately US$13,274,000) and was charged to the profit or loss. On 16 January 2013, the Company sold its BCI shares. 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 (the "**Assessment**") for the amount referred to above. The amount of the potential tax was 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 the Assessment and understood 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 made 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 financial year ended 31 December 2013, 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 had strong and compelling grounds to challenge the Assessment in its entirety. As a consequence of the advice received, the Company wrote back the provision for CGT made in 2012 on the gain on BCI shares (which was shown under deferred tax as explained above) amounting to US$11,681,000.

The Board noted that, during the year ended 31 December 2014, there have been further legal developments regarding the Australian taxation rules applicable to the Company and its prior disposal of its investment in BCI. In light of these developments the Company has taken further external advice from its Australian advisers as to its position. In this respect, the Company has proactively and voluntarily shared its independent, expert advice, together with supporting papers and calculations, with the Commissioner of Taxation and that advice has recently been reviewed by an external consultant engaged by the Commissioner of Taxation.

On 28 January 2015, the Company and its Australian advisers received a copy of the report produced by the external consultant engaged by the Commissioner of Taxation and, from that report, understands that the external consultant does not agree with certain material findings in the independent, expert advice received by the Company. The Company and its Australian advisers are continuing to review the report.

As of 31 December 2014 and up to date of this announcement, the Company and its Australian advisers are not aware of any changes in the facts of the aforementioned dispute, nor the regulatory landscape or any recent legal developments in Australia which may affect the prior advice received and shared with the Commissioner of Taxation. Accordingly, the Directors remain of the view that the Company has strong and compelling grounds to challenge the Assessment in its entirety and will continue to do so. Therefore, as a next step, the Company anticipates entering into formal discussions with the Commissioner of Taxation, by way of a regulated alternative dispute resolution process, to further discuss the areas of disagreement pertinent to matter and will provide further updates to the market in due course.

(ii) In 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 in 2012.

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 (US$5,347,000) arising from the unrealised capital loss on Venturex carried forward from 2012 was reversed in 2013.

(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$729,000 in relation to the potential deferred tax assets on the unrealised loss of Venturex shares (as explained in (ii) above) as a consequence of the depreciation of the A$ against the US$ of approximately 12% during the year ended 31 December 2013. In aggregate, there was a net exchange gain of approximately US$863,000 in respect of the CGT matter, which has been included in Group's aggregate net foreign exchange gain of US$2,326,000 for the year ended 31 December 2013 (note 4).

No deferred tax asset or liability has been recognised for the years ended 31 December 2014 and 2013.

14. Financial assets at fair value through profit or loss

Certain of the Company's financial assets that are accounted 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, whose market value as at 31 December 2014 was approximately US$3.99 million (or equivalent to A$4.89 million), were pledged as security to the Australian Commissioner of Taxation against an assessment in relation to a claim under litigation. 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

2014 was another challenging year for the global economy, together with commodities and financial markets.

While an improvement on our 2013 results, our financial results for 2014 were again adversely affected by substantially lower commodity prices, with global miners facing significant headwinds in their quest to improve margins and profitability. The outlook for the global resources industry remains a very challenging one and supports the Company's continual, but deliberate move into healthcare and life sciences investments, investments that are less sensitive to macroeconomic fundamentals and fluctuations.

Global activity has broadly strengthened and global economic growth in 2015-2016 is projected to be between 3.5% and 3.7%. Advanced economies are expected to provide much of the impetus for growth, driven by a reduction in fiscal tightening and still highly accommodative monetary conditions. The United States is expected to continue its recovery and the resurgent strength of its currency is testament to this. However, we are mindful of signs of maturation in the expansionary phase in the US, that could well lead to a moderation in profitability, coupled with a variety of cost pressures. European economies have more scope to recover, but slowing exports to emerging markets and a lack of cohesive policies around tackling deflationary pressures remain a concern. China will continue its "*soft fall*", as government stimuli is likely to have less effect and monetary policy will likely become tighter. Other major emerging markets would appear well placed to continue to grow, with the rate of growth to vary, depending on the pace of reforms. New geographies for growth in parts of Asia, offer opportunities to build sustainable growth models, but they also bring challenges on economic, legal, and institutional fronts. The main upside risk is a greater boost from lower oil prices, although there is uncertainty about the persistence of the oil supply shock. Further upsides relate to the ability of policy and business to invest in people, raise productivity, and rebuild trust and confidence. Downside risks relate to intensifying political and economic risks, shifts in sentiment and volatility in global financial markets, especially in emerging market economies, where lower oil prices have introduced external and balance sheet vulnerabilities in oil exporters. Stagnation and low inflation are still concerns in the euro area and in Japan.

While we expect commodity markets to remain volatile, we remain confident that on a fundamental and longer-term basis, demand will be underpinned by urbanization of emerging economies and recovery of developed economies. The Group's existing investments in natural resources, energy related investments are continuing to suffer through a, well reported, weaker commodity price environment, while the Group's exposure to gold and other precious metals is currently enjoying renewed enthusiasm in the space, helped by recently announced European stimuli. While China remains a major driver for commodities demand, the natural resources space remains a challenging one and, as such, the Group has re-focussed its investment strategy into healthcare and life sciences investments, investments that are less sensitive to macroeconomic fundamentals and fluctuations.

On this note, the Group remains excited about the prospects of these investments, Plethora in particular, as it further executes its strategy to bring its headline product, PSD502™, a treatment for premature ejaculation, to market via strategic partners with the sales, marketing and distribution infrastructure to maximise the commercial potential from the product.

Plethora has now secured regulatory approval across the EU to commercialise its product and, to that end, has now secured a licensing agreement with Recordati in September 2014, an international pharmaceutical group whose shares are listed on the Italian Stock Exchange with a market capitalisation of over EUR 3 billion, to commercialise PSD502™ in Europe, Russia, the Commonwealth of Independent States, Turkey and certain countries of North Africa, a key final step in making the product available for a successful launch in multiple territories.

The Company also anticipates that Plethora will make further announcements during the year in relation to new strategic commercial marketing partners appointed to exploit the product in other territories around the globe. While further clinical and regulatory work remains to be carried out in relation to obtaining approval in the United States, a defined pathway has been agreed with the regulator, which should facilitate a launch in early 2017.

As previously mentioned, we held a belief that there was hidden value within Binary and during the first quarter of 2015 , the Company announced that it was to dispose of its approximately 46.95% stake, for an aggregate consideration of US$15 million (or approximately HK$117 million) in cash, before interest, representing a realised "cash-on-cash" return of 12.92 times the Company's original cash investment of approximately US$1.89 million (or approximately HK$14.68 million), which is a remarkable result achieved in a period of approximately 15 years, inclusive of dividends received.

The Group's balance sheet remains strong and nimble, with cash balances and securities of FAFVPL standing at approximately US$17.46 million, with no external debt.

Our strategy remains the same and our strengthened balance sheet has us well positioned to deliver on this. The Company has every intention of continuing on with its existing business of investing in companies engaged in the healthcare and life sciences sectors. The Company is a company accustomed to making value driven investments in the pursuit of creating shareholder returns. As part of the usual course of business of the Company, it makes investments, both liquid and, where justified, illiquid in nature on a regular basis. In investee companies in which the Company, following due diligence, develops a level of satisfaction with the direction, performance and management of that particular investee company, the Company typically looks to further bolster its investment, often taking strategic positions to better protect its economic interest. We will continue to pursue growth by way of acquisitions and will target small to medium sized companies within our core areas of focus, being the healthcare and life sciences sectors.

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 Profit

The Company recorded a net loss after tax and non-controlling interests of US$8.56 million in 2014, compared with a loss of US$25.64 million in 2013.

The corporate division (total income less fair value loss on financial instruments) recorded a loss of US$11.01 million (2013: US$16.02 million).

The Group's associates, Binary, West China Coke and Plethora, contributed a share of profit of US$3.63 million, a loss of US$4.06 million and a loss of US$10.18 million respectively to the Group.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from Binary	3.63
Share of loss from West China Coke	(4.06)
Share of loss from Plethora	(10.18)
Gain from bargain purchase of an associate	25.81
Loss on deemed disposal of an associate	(6.02)
Reversal of impairment on loan receivables	0.25
Impairment loss on available-for-sale financial assets	(0.27)
Corporate investment segment	(16.83)
Metals mining segment	(0.91)
Coking coal segment and others	0.02
Total loss attributable to owners of the Company	(8.56)

Financial Position

Shareholders' equity decreased by 17.27% to US$48.75 million as at 31 December 2014 from US$58.93 million as at 31 December 2013. The decrease was mainly due to: (i) the loss of US$8.56 million for the year ended 31 December 2014; (ii) the decrease of the exchange reserve by US$1.68 million, which were offset against: (iii) the increase in investment revaluation reserve by US$0.06 million.

The carrying value of investments in Binary of US$5.71 million, West China Coke of US$1,000 and Plethora of US$24.50 million accounted for 11.71%, 0% and 50.26% of shareholders' equity respectively. The Group's assets also comprised: (i) cash and bank balances of US$3.59 million; (ii) listed and unlisted investments of US$16.01 million; (iii) derivative financial instruments of US$0.94 million; and (iv) other assets and receivables of US$1.57 million.

The Group's liabilities comprised: (i) payables and accruals of US$3.27 million; and (ii) derivative financial instruments of US$0.33 million.

Strategic Plan

The Board and the Company's senior management play an active role in the Company's strategy development and planning process. The Chief Executive Officer regularly interacts with the Board in respect of the strategic plan and direction of the Company, during which meetings with 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 Company 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 Company 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 Company 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 Company to pursue growth opportunities and opportunistic investments in the healthcare and life sciences sectors;

- 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.

Funding

As at 31 December 2014, the Group had US$3.59 million in cash and US$0.41 million on margin deposits held with the Group's brokers for trading of derivatives that represented 7.36% and 0.84% of its total shareholders' equity, which does not take into account the Group's holding of securities of FAFVPL that amounted to US$13.88 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 2014.

Contingent Liabilities

Save as those disclosed in "Litigation" below, the Group has no material contingent liabilities as at 31 December 2014.

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 "**Assessment**", as referred to in note 13 (Deferred Tax) to these financial statements). The amount of potential capital gains 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 (as defined in the announcement dated 18 April 2013), 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 (as defined in the announcement dated 18 April 2013).

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$10.43 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.

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.

Except for the above mentioned, the Directors are not aware of any litigation or claims of material importance pending or threatened against the Company or any subsidiary of the Group.

Charge on Assets

As announced by the Company on 28 January 2013, 18 April 2013 and 23 August 2013 and as further disclosed in the Company's half yearly and annual reports for 2013 and half yearly report for 2014, 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 (as defined in the announcement dated 18 April 2013), 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 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$2.59 million (or approximately US$2.11 million), A$0.77 million (or approximately US$0.63 million) and A$1.52 million (or approximately US$1.24 million) as at 31 December 2014 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 (as defined in the announcement dated 18 April 2013).

None of the Group's other assets was pledged as at 31 December 2014 (2013: Nil).

Management of Risk

In 2014, 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 Plethora. 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 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.

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 Plethora. 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.

Risks inherent to Plethora

1. the timing and quantum of receipt of upfront, milestone and royalty income from strategic commercial marketing partners, which in itself is dependent on the successful partnering and commercial launch of PSD502™;

2. the management of Plethora's cost base and maintaining adequate working capital and ensuring sufficient funds are made available to complete the ongoing work with PSNW and Catalent and regulatory approval processes and bringing PSD502™ to market;

3. the retention of key employees to complete the commercialisation process;

4. delays and other unforeseen disruptions to the manufacturing and regulatory approval projects which could have an adverse impact on the commercial launch of PSD502™ and future revenues; and

5. the exposure to competition from new generic entrants into the market.

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 2014, the amount of these margin deposits was US$0.41 million (2013: US$0.89 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 stake in Plethora to approximately 86.80 million shares through acquisition on the market and participation in a share placement that was completed in September 2014. The Group's shareholding in Plethora was approximately 12.75% as at 31 December 2014.

Segmental Information

During the year ended 31 December 2014, biopharma has been included in the Group's industry segment.

Employees

The Group, including subsidiaries but excluding associates, employed approximately 19 employees at 31 December 2014 (2013: 19 employees). The remuneration policy is to reward key employees by a combination of salaries, profit related discretionary bonuses and 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 Board. 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 2014 (2013: 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 2014 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 2014 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 time 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 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, 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

A general mandate was granted to the Directors at the Company's annual general meeting held on 19 June 2013 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, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2013 Repurchase Mandate.

The 2013 Repurchase Mandate expired upon close of the Company's annual general meeting held on 5 June 2014, 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 "**2014 Repurchase Mandate**"). Since 5 June 2014 and prior to the date of this announcement, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2014 Repurchase Mandate.

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 2014 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 2014 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2015.

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, 30 March 2015