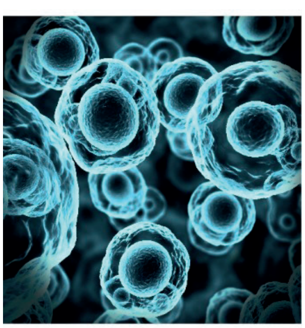
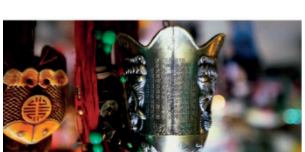
Regent Pacific Group Limited





(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575 30 March 2016

ANNOUNCEMENT

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AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

PERFORMANCE OVERVIEW

A summary of the financial performance and other notable events for 2015 include:

- A loss attributable to shareholders of the Company of US$9.33 million, which was mainly attributable to: (i) the marked-to-market losses of US$5.77 million in respect of the Company's equity portfolio of financial assets at fair value through profit or loss ("**FAFVPL**"); and (ii) the loss on the deemed disposal of Plethora Solutions Holdings plc ("**Plethora**") of US$3.56 million, both of which are non-cash items, while being offset somewhat by (iii) the gain on disposal of Binary Holdings Ltd. ("**Binary**", formerly known as "**Regent Markets Holdings Ltd.**") of US$8.94 million.

- Shareholders' equity of US$39.08 million or net asset value ("**NAV**") per share of Hong Kong cents 8.69 (US cents 1.12), a decrease of approximately 20% as compared at 31 December 2014, with the decrease being mainly attributable to the loss attributable to shareholders of the Company of US$9.33 million as stated above.

- On 15 December 2015 the Company announced that it had reached agreement with Michael G Wyllie, the independent Plethora director, on the terms of a recommended share-for-share takeover offer, pursuant to which the Company announced that it will seek to acquire the entire issued and to be issued ordinary share capital of Plethora not already owned by the Company (the "**Transaction**"). The Company made an announcement in Hong Kong by way of a very substantial and connected transaction announcement as well as jointly with Plethora in the United Kingdom by way of a firm offer announcement pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (both announcements, the "**Firm Offer Announcements**"). It was proposed

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that the Transaction be effected by means of a scheme of arrangement of Plethora in the UK under Part 26 of the Companies Act (the "**Scheme**") (although the Company reserved the right to effect the Transaction by way of a traditional takeover offer). The Transaction constituted a very substantial and connected acquisition of the Company under Chapters 14 and 14A of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and required approval of the independent shareholders of the Company in general meeting. The Scheme became effective on 9 March 2016 whereby Plethora is now a wholly owned subsidiary of the Company.

- The successful disposal of 938,978 shares in Binary, being a majority of the Company's shareholding in Binary (previously a 49.90% owned associated company of the Company), for an aggregate consideration of US$15 million, representing a realised "cash-on-cash" return of 12.92 times the Company's original cash investment of approximately US$1.88 million. The disposal was a major and connected transaction of the Group, which successfully closed on 8 April 2015, being the following business day after the Company's Extraordinary General Meeting held on 2 April 2015. This disposal was another remarkable result for the Group achieved in a period of approximately 15 years, inclusive of dividends received.

- The investment of GBP 1.2 million (or approximately US$1.84 million) for 89,753 new ordinary shares of The Diabetic Boot Company Limited ("**Diabetic Boot**"), representing approximately 16.79% of the share capital of the company as at 31 December 2015.

- Acquisition from Sharwood Limited ("**Sharwood**") of certain rights and obligations under a promissory note in respect of services provided to Plethora in relation to the procurement of out-licencing opportunities for PSD502®, Plethora's principal product, for a total cash consideration of GBP 2.4 million (or approximately US$3.67 million). The Company is entitled under the promissory note to success based amounts capped at approximately GBP 4.58 million (or approximately US$6.75 million). The success based arrangement will be payable in relation to all amounts paid and due under the licence agreement signed in September 2014 with Recordati S.p.A. In addition, the Company has the right to receive accelerated payments should Plethora or any of its licensed assets be acquired by another party, which as mentioned above are capped at approximately GBP 4.58 million (or approximately US$6.75 million). These arrangements expire on the earlier of 15 September 2024 or when the cap of approximately GBP 4.58 million (or approximately US$6.75 million) has been paid to the Company. Following completion of the acquisition of Plethora, referred to above and below, and upon Plethora becoming a wholly-owned subsidiary of the Company, this agreement will be an intra-group arrangement.

- The continued equity accounting of the Company's investment in Plethora whereby the Group's consolidated financial statements reflected its then share (10.54%) of the net loss of Plethora.

- Maintaining and actively monitoring the Company's existing and significant investments in Trinity Exploration & Production plc ("**Trinity**") (approximately 4.12%), Condor Gold plc ("**Condor**") (approximately 8.68%), Venturex Resources Limited ("**Venturex**") (approximately 33.63%) and Endeavour Mining Corporation ("**Endeavour**") (approximately 0.76%).

- Strong financial position with no debt, with over US$18.99 million in cash, listed and unlisted securities (including the securities listed on the Australian Securities Exchange and pledged with the Australian Commissioner of Taxation of US$2.39 million).

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

- Following on from the Firm Offer Announcements, on 4 February 2016 the Company dispatched its very substantial and connected acquisition circular in respect of the Transaction to its shareholders and, on the same date, Plethora dispatched its scheme document in the UK to its shareholders.

- As has been publicly announced, all requisite approvals for the Transaction were obtained and the Scheme became effective on 9 March 2016, rendering Plethora now a wholly-owned subsidiary of the Company.

- Disposed of its entire interest in Endeavour on market for total gross proceeds of US$2.80 million and realizing a gain on disposal of US$0.32 million during the period ended 30 June 2016.

Going forward, the Group will: (i) focus on integrating Plethora into the Group; (ii) pursue the successful commercialisation of PSD502® as quickly as possible, not only in Europe, but also in the remaining key markets of the US, Latin America and Asia Pacific regions; and (iii) continue with its existing strategy of pursuing strategic and value-led investments in the healthcare and life sciences sectors.

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 2015, together with comparative figures for the year ended 31 December 2014, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 US$'000	2014 US$'000
Revenue:	3		
Corporate investment income		212	(10)
Other income		307	216
		519	206
Fair value loss on financial instruments	4	(6,204)	(11,213)
Total income less fair value loss on financial instruments		(5,685)	(11,007)
Expenses:			
Employee benefit expenses	5	(5,945)	(4,215)
Rental and office expenses		(664)	(814)
Information and technology expenses		(167)	(184)
Marketing costs and commissions		(16)	(7)
Professional and consulting fees		(1,550)	(995)
Other operating expenses		(688)	(516)
Operating loss before impairment loss		(14,715)	(17,738)
Impairment loss on available-for-sale financial assets	10	(194)	(267)
Reversal of impairment on loan receivables		1,386	250
Operating loss	4	(13,523)	(17,755)
Gain on disposal of an associate	9	8,938	—
Gain from bargain purchase of an associate	9	—	25,809
Loss on deemed disposal of an associate	9	(3,560)	(6,017)
Share of results of associates	9	(1,193)	(10,604)
Loss before income tax		(9,338)	(8,567)
Taxation	6	—	—
Loss for the year		(9,338)	(8,567)

	Notes	2015 US$'000	2014 US$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets	10	831	63
Exchange (loss)/gain on translation of financial statements of foreign operations		(6)	69
Share of other comprehensive income of associates		(988)	(1,751)
Reclassification to profit or loss on disposal of an associate		(164)	—
Other comprehensive income for the year		(327)	(1,619)
Total comprehensive income for the year		(9,665)	(10,186)
Loss for the year attributable to:			
Shareholders of the Company		(9,333)	(8,563)
Non-controlling interests		(5)	(4)
		(9,338)	(8,567)
Total comprehensive income attributable to:			
Shareholders of the Company		(9,660)	(10,182)
Non-controlling interests		(5)	(4)
		(9,665)	(10,186)

Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	2015 US$'000	2014 US$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		48	108
Intangible asset		3,441	—
Interests in associates	9	17,295	30,206
Available-for-sale financial assets	10	5,367	2,130
		26,151	32,444
Current assets			
Cash and bank balances		5,474	3,588
Financial assets at fair value through profit or loss	12	8,146	13,876
Loan receivables		75	250
Prepayments, deposits and other receivables		2,505	1,217
Derivative financial instruments		484	940
		16,684	19,871
Current liabilities			
Trade payables, deposits received, accruals and other payables	11	(3,623)	(3,271)
Derivative financial instruments		(167)	(333)
		(3,790)	(3,604)
Net current assets		12,894	16,267
Total assets less current liabilities		39,045	48,711
NET ASSETS		39,045	48,711
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		34,857	34,857
Reserves		4,227	13,888
Equity attributable to shareholders of the Company		39,084	48,745
Non-controlling interests		(39)	(34)
TOTAL EQUITY		39,045	48,711

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 Open 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 investments in biopharma companies, 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

2.1 Adoption of amendments to HKFRSs —first effective 1 January 2015

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

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

2.2 New or revised HKFRSs that have been issued but are not yet effective

The following new or 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[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[2]
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[2]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after a date to be determined

Amendments to HKAS 1 —Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

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 as 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 Directors are in the process of making an assessment of the expected impact of these amendments, new or revised standards and interpretations in the period of initial application. Presently, the Directors are of the opinion that these amendments are unlikely to have a significant impact on the Group's results of operations and financial position.

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

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The Directors consider that there is no impact on the Group's financial position or performance. However, the new Hong Kong Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer required.

3. Revenue and Segment Information

Revenue of the Group consists of corporate investment income and other income. An analysis of the Group's revenue for the year is as follows:

	2015 US$'000	2014 US$'000
Corporate investment income		
Dividend income from listed and unlisted equity investments	169	28
Bank interest income	2	2
Other interest income	59	—
Foreign exchange losses, net	(18)	(40)
	212	(10)
Other income		
Consultancy fee income	75	58
Success fee income	116	—
Sundry income	116	158
	307	216
	519	206

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Chief Executive Officer ("**CEO**") 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 CEO 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;
- reversal of impairment on loan receivables;
- corporate income and expenses which are not directly attributable to the business activities of any operating segment; and
- share of results of associates accounted for using the equity method, gain from bargain purchase of an associate, gain on disposal of an associate and loss on deemed disposal of an associate

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

Segment assets include all assets but exclude intangible asset, 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 2015

	Biopharma US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Revenue from external customers	191	–	–	328	519
Segment results	—	(19)	(806)	(14,084)	(14,909)
Reversal of impairment on loan receivables	—	—	—	1,386	1,386
Gain on disposal of an associate	—	—	—	8,938	8,938
Loss on deemed disposal of an associate	(3,560)	—	—	—	(3,560)
Share of results of associates	(2,650)	—	—	1,457	(1,193)
Total results	(6,210)	(19)	(806)	(2,303)	(9,338)
Unallocated					—
Consolidated loss before income tax expense					(9,338)

As at 31 December 2015

	Biopharma US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	—	46	6	16,680	16,732
Intangible asset	3,441	—	—	—	3,441
Available-for-sale financial assets	—	—	—	5,367	5,367
Interests in associates	17,294	1	—	—	17,295
Total assets	20,735	47	6	22,047	42,835
Segment liabilities	—	—	—	3,790	3,790
Total liabilities	—	—	—	3,790	3,790

For the year ended 31 December 2015

	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	—	—	—	1,386	1,386
Net losses on derivative financial instruments	—	—	—	(416)	(416)
Depreciation	—	—	—	(66)	(66)
Amortisation	(226)	—	—	—	(226)
Net losses on financial assets at fair value through profit or loss	—	—	—	(5,783)	(5,783)
Impairment on available-for-sale financial assets	—	—	—	(194)	(194)
Capital expenditure	(3,667)	—	—	(5)	(3,672)

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)

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	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
China	—	—	1	1
Hong Kong (domicile)	7	54	48	108
Australia	4	30	—	—
United States	2	(35)	—	—
United Kingdom	481	157	20,695	30,205
South East Asia[1]	25	—	—	—
	519	206	20,744	30,314

[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

	2015 US$'000	2014 US$'000
Operating loss is arrived at after charging:		
Auditors' remuneration		
– charge for the year	230	232
– under provision in prior year	23	29
Depreciation of property, plant and equipment	66	94
Amortisation on intangible asset (included in other operating expenses)	226	—
Operating lease charges on property and equipment	625	718
Impairment loss on available-for-sale financial assets (note 10)	194	267
Realised loss on disposal of financial assets at fair value through profit or loss[@] [(1)]	16	—
Realised loss on disposal of available-for-sale financial assets[@]	5	—
Unrealised loss on financial assets at fair value through profit or loss[@] [(1)]	5,767	11,663
Unrealised loss on derivative financial instruments[@] [(2)]	623	—
Foreign exchange losses, net[*]	18	40
and crediting:		
Interest income on bank deposits and loan receivables[*]	2	2
Other interest income[*]	59	—
Realised gain on disposal of financial assets at fair value through profit or loss[@] [(1)]	—	10
Realised gain on derivative financial instruments[@] [(2)]	207	325
Unrealised gain on derivative financial instruments[@] [(2)]	—	115
Dividend income from listed equities[*]	22	28
Reversal of impairment on loan receivables	1,386	250

@ These amounts constitute the fair value loss of US$6,204,000 (2014: US$11,213,000) in the consolidated statement of comprehensive income.

* Included in revenue.

(1) During the year ended 31 December 2015, net losses on financial assets at fair value through profit or loss amounted to US$5,783,000 (2014: US$11,653,000).

(2) During the year ended 31 December 2015, net losses on derivative financial instruments amounted to US$416,000 (2014: net gain of US$440,000).

5. Employee Benefit Expenses (Including Directors' Emoluments)

	2015 US$'000	2014 US$'000
Salaries, discretionary bonuses and benefits in kind	5,920	4,191
Pension costs - defined contribution plans	25	24
	5,945	4,215

6. Taxation

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

	2015 US$'000	2014 US$'000
Income tax expense	—	—

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 2015 and 2014. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

Share of associates' tax credit for the year ended 31 December 2015 of US$238,000 (2014: US$231,000) is included in the consolidated statement of comprehensive income as share of results of associates.

7. Dividends

No dividend was paid or proposed during the year of 2015, nor has any dividend been proposed since the end of reporting period (2014: Nil).

8. Losses Per Share

The calculation of basic losses per share is based on the loss attributable to the shareholders for the year of US$9,333,000 (2014: US$8,563,000) and on the weighted average of 3,485,730,523 (2014: 3,485,730,523) 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 2015 and 2014. Accordingly, the effect of the share options was not included in the calculation of diluted losses per share for the years ended 31 December 2015 and 2014.

Subsequent to the year-end date and prior to the date of this announcement, 13,886,781,298 ordinary shares were issued and allotted to the shareholders of Plethora whereby Plethora became a wholly-owned subsidiary of the Company since 9 March 2016.

9. Interests in Associates

(i) At 31 December 2015, the Group's associates and their carrying value comprised the following:

	2015 US$'000	2014 US$'000
Binary	—	5,706
West China Coking & Gas Company Limited	1	1
Plethora	17,294	24,499
	17,295	30,206

Share of associates' tax credit for the year ended 31 December 2015 of US$238,000 (2014: US$231,000) is included in the consolidated statement of comprehensive income as share of results of associates.

Particulars of the associates as at 31 December 2015 are as follows:

Name of associate	Country of Incorporation/ continuation	Type of legal entity	Issued and fully paid share capital held in associate	Percentage of equity interest attributable to the Company		Principal activity
				Direct	Indirect	
West China Coking & Gas Company Limited* ("**West China Coke**")	PRC	Sino-foreign Joint Venture Company	Injected capital of RMB79,910,000	—	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 GBP867,995	10.54%	—	Development and marketing of products for the treatment and management of urological disorders

* The statutory audited financial statements of the associates were not audited by BDO Limited.

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

	2015 US$'000	2014 US$'000
As at 1 January	30,206	9,134
Reclassified Plethora from FAFVPL (iii)	—	12,026
Addition	—	4,404
Disposal of 98% interest in Binary (iv)	(6,755)	—
Gain from bargain purchase of Plethora (iii)	—	25,809
Unrealised fair value gain on retained 2% interest in Binary (iv)	529	—
Loss on deemed disposal of Plethora (iii)	(3,560)	(6,017)
Dividend received	—	(2,795)
Share of results of associates	(1,193)	(10,604)
Reclassify remaining interest in Binary to available-for-sale financial assets (note 10) (iv)	(943)	—
Exchange loss on translation of financial statements of associates	(989)	(1,751)
As at 31 December	17,295	30,206

	2015 US$'000	2014 US$'000
Share of net assets - unlisted	10,539	16,245
Share of net assets - listed	17,294	24,499
	27,833	40,744
Impairment	(10,538)	(10,538)
	17,295	30,206
Market value of listed investment, overseas	5,915	10,015

(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 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 CEO, Jamie Gibson, was appointed as the CEO and as an executive director of Plethora. This appointment was on behalf of the Group and consequently the Directors considered the Group had 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.

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 fair value 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, determined the fair value of PSD502® based on the "relief from royalty method" to be in the region of GBP 153 million (or approximately US$253,460,000 at the then exchange rate between GBP and US$).

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 was 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 rise 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 gave 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 was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2014.

On 8 April 2015, Plethora announced that a notice was received from the convertible loan notes holders to convert convertible loan notes with principal amount of GBP 1,629,595 with interest accrued and redemption premiums of GBP 1,216,124 into 142,285,957 ordinary shares of Plethora, which diluted the Group's ownership from 12.75% to 10.54% and gave rise to a loss on deemed disposal of an associate of US$3,560,000, which has been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2015.

(iv) Disposal

As at 31 December 2014, the Group held 49.90% equity interest in Binary, which is principally engaged in the business of online options trading platform and accounted for the investment as an associate. On 8 April 2015, the Group disposed of 98% of its holding amounting to 938,978 ordinary shares in Binary for an aggregate consideration of US$15,000,000. The Group has accounted for the remaining approximately 2% equity interest as available-for-sale financial assets, whose fair value the Directors estimated to be approximately US$943,000 at the date of disposal (fair value gain of US$529,000). This transaction has resulted in the recognition of a gain on disposal of an associate of US$8,938,000 calculated as follows.

	2015 US$'000
Aggregate consideration	15,000
Carrying amount of the Company's interest in Binary disposed of (approximately 98% interest)	(6,755)
Reclassification adjustment of:	
– foreign currency exchange reserve	2
– share-based payment reserve	162
Unrealised fair value gain on retained 2% interest	529
Gain on disposal of an associate	8,938

(v) Assessment for impairment of associates

During the year ended 31 December 2015, no impairment loss has been recognised in the profit or loss for the Group's interests in associates (2014: Nil). 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 15% to 30% (2014: 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% (2014: 25%). The value in use figure determined as at 31 December 2015 was higher than the carrying value of the interest in the associate and accordingly no impairment loss was considered necessary.

(vi) 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.

	2015 US$'000	2014 US$'000
As at 31 December		
Non-current assets	187,989*	198,897*
Current assets	1,348	8,736
Current liabilities	(5,961)	(1,739)
Non-current liabilities	(19,306)	(13,681)
Included in the above amounts are:		
Cash and cash equivalents	137	7,893
For the year ended 31 December		
Revenue	—	6,017
Loss for the year	(15,737)	(67,723)
Other comprehensive income for the year	(9,504)	(12,111)
Total comprehensive income for the year	(25,241)	(79,834)
Dividend received from an associate	—	—
Included in the above amounts are:		
Depreciation and amortisation	(18,809)	(19,866)
Interest income	3	5
Interest expense	(342)	(1,455)
Income tax credit	2,400	2,112

* comprising primarily of intangible asset, PSD502®, as explained in note 9 (iii).

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

	2015 US$'000	2014 US$'000
For the year ended 31 December		
Loss for the year	—	(15,375)
Other comprehensive income	—	(853)
Total comprehensive income	—	(16,228)

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

10. Available-for-sale Financial Assets

	2015 US$'000	2014 US$'000
As at 1 January	2,130	2,334
Additions	1,842	—
Disposals	(185)	—
Reclassified from interest in associates (note 9) (iv)	943	—
Change in fair value	831	63
Impairment loss (note 4)	(194)	(267)
As at 31 December	5,367	2,130

Available-for-sale financial assets include the following:

	2015 US$'000	2014 US$'000
Unlisted securities		
Club debenture, at cost	19	19
Equity securities, at cost	3,548	1,706
	3,567	1,725
Unlisted securities		
Equity securities, at fair value	1,774	—
Listed securities		
Equity securities, at fair value	26	405
	5,367	2,130

Available-for-sale financial assets included investments in certain 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 of the investments is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. The Group plans to hold these investments for the foreseeable future.

During the year ended 31 December 2015, a fair value loss of US$194,000 (2014: US$267,000) 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.

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

At 31 December 2015 and 2014, the ageing analysis of the trade payables was as follows:

	2015 US$'000	2014 US$'000
Due within 1 month or on demand	—	—
More than 6 months	99	99
	99	99

12. Financial Assets at Fair Value through Profit or Loss

Certain of the Group's financial assets that are accounted for at fair value through profit or loss, namely its equity interests in Australian listed shares including holdings in Venturex, Bannerman Resources Limited ("**Bannerman**") and Tigers Realm Coal Limited ("**Tigers Realm**"), whose market value as at 31 December 2015 was approximately A$3.28 million (or equivalent to US$2.39 million), were pledged as security to the Australian Commissioner of Taxation against an assessment in relation to a potential liability for Australian tax arising from the gain on disposal of an Australian listed security in 2013. 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

2015 was another challenging year for the global economy, together with commodities and financial markets.

While our results were broadly in line with 2014, our financial results for 2015 were again adversely affected by substantially lower commodity prices (oil prices have declined markedly since September 2015, while the prices of other commodities, especially metals, have fallen as well), 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.

In 2015, global economic activity remained subdued (with growth currently estimated at 3.1% in 2015 and projected at 3.4% in 2016 and 3.6% in 2017). Growth in emerging market and developing economies—while still accounting for over 70% of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers to other economies through trade channels and weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

Looking at the Group's existing and legacy investments in natural resources (which are non-core and are the focus of its existing divestment programme), energy related investments are continuing to suffer through a, well reported, weaker commodity price environment, although the Group's exposure to gold and other precious metals is currently reflecting renewed enthusiasm in the space, helped, in part, by ongoing uncertainty around global economic conditions. While we expect commodity markets to remain volatile, we remain confident that on a fundamental basis, demand will be underpinned by urbanization of emerging and recovery of developed economies globally.

Unlike the Group's legacy investments in natural resources (which are non-core and are the focus of its divestment programme), fortunately, the Group's healthcare and life sciences investments, including its investment in Plethora, remain its core focus as evidenced by the Group's successful acquisition of Plethora and are far less sensitive to macroeconomic fundamentals and fluctuations. The Group remains excited about the prospects of these investments, including Plethora.

As previously mentioned, we held a belief that there was hidden value within Binary and, during the year, disposed of a majority of our shareholding in Binary for an aggregate consideration of US$15 million representing a realised "cash-on-cash" return of 12.92 times the Company's original cash investment of approximately US$1.88 million. The disposal was a major and connected transaction of the Group, which successfully closed on 8 April 2015. This disposal was another remarkable result for the Group achieved in a period of approximately 15 years, inclusive of dividends received. We hold a residual 1.87% stake in Binary Limited, which we will look to dispose of during 2016.

The Group's portfolio of FAFVPL incurred a realised and unrealised loss of approximately US$5.78 million, which was a result of the continuing deterioration of commodity prices. The total value of our portfolio of FAFVPL was approximately US$8.15 million as at 31 December 2015, down from approximately US$13.88 million in 2014.

The Group's balance sheet remains strong and nimble, with cash balances and securities of FAFVPL standing at approximately US$13.62 million, with no external debt. Our net asset value per share was US cents 1.12 (or approximately HK cents 8.69) at the end of 2015.

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 health care and life sciences sectors. Going forward, the Group will: (i) focus on integrating Plethora into the Group; (ii) pursue the successful commercialisation of PSD502® as quickly as possible, not only in Europe, but also in the remaining key markets of the US, Latin America and Asia Pacific regions; and (iii) continue with its existing strategy of pursuing strategic and value-led investments in 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 Group recorded a loss attributable to the shareholders of the Company of US$9.33 million in 2015, compared with a similar loss attributable to shareholders of the Company of US$8.56 million in 2014.

The corporate division (revenue and fair value loss on financial instruments) recorded a loss of US$5.69 million (2014: US$11.01 million).

The Group's associate, Plethora, contributed a share of loss of US$2.65 million to the Group for the year ended 31 December 2015. In addition, the Group's disposed associate, Binary, contributed a share of profit of US$1.46 million for the period up to 8 April 2015, the date it ceased to be an associate.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from Binary	1.46
Share of loss from Plethora	(2.65)
Gain on disposal of Binary	8.94
Loss on deemed disposal of Plethora	(3.56)
Corporate investment	(13.52)
Total loss attributable to shareholders of the Company	(9.33)

Financial Position

Shareholders' equity decreased by 19.82% to US$39.08 million as at 31 December 2015 from US$48.75 million as at 31 December 2014. The decrease was mainly due to: (i) the loss attributable to shareholders of the Company of US$9.33 million for the year ended 31 December 2015; (ii) the decrease of the exchange reserve by US$1 million, which was offset against (iii) the increase in investment revaluation reserve by US$0.83 million.

The investments in Plethora of US$17.29 million accounted for 44.24% of shareholders' equity. The Group's assets also comprised: (i) cash and bank balances of US$5.47 million; (ii) listed and unlisted investments of US$13.51 million; (iii) an intangible asset of US$3.44 million; (iv) derivative financial instruments of US$0.48 million; and (v) other assets and receivables of US$2.64 million.

The Group's liabilities comprised: (i) payables and accruals of US$3.62 million and (ii) derivative financial instruments of US$0.17 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 CEO regularly interacts with the Board in respect of the strategic plan and direction of the Company, during which meetings the CEO 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 and opportunistic investments in the healthcare and 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.

Funding

As at 31 December 2015, the Group had US$5.47 million in cash and US$0.68 million on margin deposits held with the Group's brokers for trading of derivatives that represented 14.00% and 1.74% of its total shareholders' equity, which does not take into account the Group's holding of securities of FAFVPL that amounted to US$8.15 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 2015.

Contingent Liabilities

Save as those disclosed in "Litigation" below, the Group has no material contingent liabilities as at 31 December 2015.

Litigation

As has been previously disclosed, the Company is currently in dispute with the Australian tax authorities in connection with a disposal by the Group of an investment in BC Iron Limited ("**BCI**"), a company listed on the Australian Securities Exchange. The Australian Taxation Office considered that capital gains tax was payable in the amount of approximately A$12.78 million (or approximately US$9.32 million), which excludes interest that has accrued on this amount since 2 December 2013 which, as at 4 January 2016, was approximately A$2.81 million (or approximately US$2.05 million). On 24 January 2013, the Company received orders from the Federal Court of Australia in relation to a notice of assessment issued by the Australian Taxation Office (the "**Assessment**"), which stated that the tax was due and payable on 2 December 2013 and provided that the Company could 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.

Following orders from the Federal Court of Australia, the Company has granted a specific security deed to the Commonwealth of Australia in respect of certain of the Company's holding of 518,103,930 shares in Venturex, 10,854,568 shares in Bannerman and 12,700,000 shares in Tigers Realm, of which the aggregate market value (as at 31 December 2015) is approximately A$3.28 million (or approximately US$2.39 million) as security against the Assessment. In consideration for granting this security, the Commissioner of Taxation ("**COT**") stayed recovery action in respect of the Assessment until the matter is resolved. The exchange rates used in this paragraph are the historic exchange rates at the relevant time.

The Company has received independent tax advice that, based on a valuation of BCI's real property (including mining tenements) and non-real property assets, the Company has a basis for challenging the assessment in its entirety and, accordingly, there is no longer a provision in the Company's financial statements relating to this dispute. The Company has shared its independent tax advice with the Commissioner of Taxation. The Company has received a copy of a report produced by an external consultant for the Commissioner of Taxation and understands that there are a number of matters of material disagreement, or on which a materially different view is held, between the COT's external consultant and the Company and its Australian tax advisers. The dispute is due to enter a formal dispute resolution process.

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$12.78 million following completion of the sale of its securities in BCI for gross proceeds of A$81.61 million. The amount of potential tax assessed was expressed to be due and payable on 2 December 2013.

Following consultation with the COT 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 COT, 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 and 12,700,000 shares in Tigers Realm, of which the market value are A$2.59 million (or approximately US$1.89 million), A$0.30 million (or approximately US$0.22 million) and A$0.38 million (or approximately US$0.28 million) as at 31 December 2015 respectively, as security against the Assessment, in consideration of which the COT stayed 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 2015 (2014: Nil).

Management of Risk

In 2015, 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 (the Company's most significant investment)

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 Pharmaserve North-West and Catalent (RTP) 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 2015, the amount of these margin deposits was US$0.68 million (2014: US$0.41 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: (i) invested GBP 1.2 million (or approximately US$1.84 million) for 89,753 new ordinary shares of Diabetic Boot, representing approximately 16.79% of the share capital of the company as at 31 December 2015; and (ii) acquired from Sharwood certain rights and obligations under a promissory note in respect of services provided to Plethora in relation to the procurement of out-licencing opportunities for PSD502®, Plethora's principal product, for a total cash consideration of GBP 2.4 million (or approximately US$3.67 million). Hence, (i) and (ii) are recorded in the Group's consolidated statement of financial position in available-for-sale financial assets and intangible assets respectively.

Segmental Information

For details of the segment information, please refer to note 3 to this announcement.

Employees

The Group, including subsidiaries but excluding associates, employed approximately 16 employees at 31 December 2015 (2014: 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 2015 (2014: 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 2015 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 2015 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 relevant code provisions of the former Code on Corporate Governance Practices and were recently amended on 17 April 2015 in order to comply with the code provisions in the CG Code relevant to risk management and internal control systems, which were designated to take effect on 1 January 2016. The committee's purpose is to assist the Board in:

(i) providing an independent review of the effectiveness of the Company's financial reporting process;

(ii) evaluating and determining the nature and extent of the risks the Board is willing to take in achieving the Company's strategic objectives and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems; and

(iii) 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 on 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 5 June 2014 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, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2014 Repurchase Mandate.

The 2014 Repurchase Mandate expired upon close of the Company's annual general meeting held on 4 June 2015, 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 "**2015 Repurchase Mandate**"). Since 4 June 2015 and prior to the date of this announcement, no shares were repurchased by the Company on the HK Stock Exchange pursuant to the 2015 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 2015 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 2015 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2016.

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 2016