Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575 8 April 2009

ANNOUNCEMENT

AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008 AND RESIGNATION OF DIRECTORS

KEY HIGHLIGHTS

Finance

- Net operating loss of US$6.99 million, before impairment loss on goodwill, exploration and evaluation assets and available-for-sale financial assets of US$154.70 million (non-cash items)
- Earnings from Dapingzhang and West China Coking and Gas Limited ("**West China Coke**") were lower due to significant falls in commodity prices
- Results were impacted by one-off costs associated with the acquisition of Regent Coal (BVI) Limited ("**Regent Coal**") (formerly CCEC Ltd) and restructuring costs
- Significant reduction in capital and operating costs for 2009 of more than US$4 million
- Cash, listed securities and cash receivables of US$76.85 million or HK$0.153 (US$0.02) equivalent per share
- Repurchased 665 million shares for US$24 million at average cost of HK$0.28 (US$0.04) per share
- Shareholders' equity of US$213.04 million or net asset value per share of HK$0.39 (US$0.05)

Regent Pacific Group Limited
Suite 1401, Henley Building
5 Queen's Road Central
Hong Kong

Tel: (852) 2514 6111
Fax: (852) 2810 4792 | (852) 2509 0827
Email: info@regentpac.com
Website: www.regentpac.com

Operations

- Dapingzhang produced 7,553 tonnes copper metal and 22,867 tonnes zinc metal
- Dapingzhang is now back to full capacity after reverting to selective mining operations for enhancing margins at then commodity prices
- Record revenue at Dapingzhang of RMB 547.03 million (US$80.12 million) and net profit after tax of RMB 133.80 million (US$19.25 million), adjusted for Hong Kong Financial Reporting Standards ("**HKFRS**") (PRC revenue and profit is higher)
- Dapingzhang had low cash operating costs of US$0.69 / lb copper (or copper equivalent) (US 69 cents)
- Copper and zinc resources of 374,000 tonnes and 260,000 tonnes respectively
- West China Coke produced 954,257 tonnes of coke, 138,956 tonnes of methanol and other by-products
- West China Coke's revenue was RMB 1,603.48 million (US$230.71 million) and net loss was RMB 12.62 million (US$1.82 million) (HKFRS adjusted)
- Total coal resources of 3 billion tonnes
- Regent Coal recorded a loss of US$137.77 million, including write downs of US$131.47 million

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**" or "**Regent**" and collectively with its subsidiaries, the "**Group**") are pleased to announce the audited results of the Group for the year ended 31 December 2008, together with comparative figures for the nine months ended 31 December 2007, as follows:

Consolidated Income Statement
For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 US$'000	Nine months ended 31 December 2007 US$'000
Revenue/Turnover:	4		
Corporate investment income		4,953	1,787
Other income		1,470	1,419
		6,423	3,206
Fair value loss		(281)	(608)
Total income		6,142	2,598
Expenses:			
Employee benefit expenses	6	(9,829)	(4,046)
Rental and office expenses		(692)	(321)
Information and technology expenses		(425)	(200)
Marketing costs and commissions		(37)	(75)
Professional and consulting fees		(5,392)	(1,906)
Finance costs	7	(854)	(1,662)
Write off of loan receivables		(1,346)	-
Other operating expenses		(2,333)	(745)
Operating loss before impairment loss		(14,766)	(6,357)
Impairment loss on goodwill		(143,054)	-
Impairment loss on exploration and evaluation assets		(912)	-
Impairment loss on available-for-sale financial assets		(10,730)	-
Operating loss	5	(169,462)	(6,357)
Share of profits of associates		403	678
Share of profit of a jointly controlled entity		7,701	7,067
(Loss)/Profit before taxation		(161,358)	1,388
Taxation	8	(324)	-
(Loss)/Profit for the year/period		(161,682)	1,388
Attributable to:			
Equity holders of the Company		(160,943)	1,603
Minority interests		(739)	(215)
(Loss)/Profit for the year/period		(161,682)	1,388
Dividend		-	-
(Loss)/Earnings per share (US cents):	10		
- Basic		(3.72)	0.08
- Diluted		N/A	0.08

Consolidated Balance Sheet
As at 31 December 2008

	Notes	31 December 2008 US$'000	31 December 2007 US$'000
Non-current assets:			
Goodwill		52,137	190,724
Exploration and evaluation assets		31,391	5,729
Property, plant and equipment		1,195	467
Interests in associates		17,363	16,572
Interest in a jointly controlled entity		34,295	29,951
Available-for-sale financial assets		7,386	620
		143,767	244,063
Current assets:			
Cash and bank balances		57,399	138,081
Financial assets at fair value through profit and loss		-	4,736
Trade receivables	11	51	43
Loan receivables		2,888	15,587
Prepayments, deposits and other receivables		19,569	9,131
		79,907	167,578
Current liabilities:			
Derivative financial instruments		-	(3)
Trade payables, accruals and other payables	12	(2,508)	(6,508)
Amounts due to minority shareholders		(38)	(6,295)
Deferred tax liability		(324)	-
Borrowings		(27)	(24)
		(2,897)	(12,830)
Net current assets		77,010	154,748
Total assets less current liabilities		220,777	398,811
Non-current liabilities:			
Borrowings		(5,257)	(14,118)
Net assets		215,520	384,693
Equity			
Equity attributable to the Company's equity holders			
Share capital		38,948	42,902
Reserves		174,096	341,520
		213,044	384,422
Minority interests		2,476	271
Total equity		215,520	384,693

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, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange.

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

The Company is engaged in investment holding, and the principal activities of the Group consist of exploration and mining of natural resources, and corporate investments.

The financial statements for the year ended 31 December 2008 were approved for issue by the Board on 8 April 2009.

2. Basis of Preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("**HKAS**") and Interpretations ("**HK (IFRIC) Interpretation**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and The Rules Governing the Listing of Securities (the "**HK Listing Rules**") on the HK Stock Exchange.

3. Adoption of New or Revised HKFRS

In the current year, the Group has applied for the first time HKAS 39 and HKFRS 7 (Amendments) *Reclassification of Financial Assets* issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2008.

The amendments to HKAS 39 and HKFRS 7 permit reclassification of non-derivative securities (other than those designated at fair value through profit or loss upon initial recognition) out of the trading category in rare circumstances. The amendments also permit reclassification of non-derivative securities (other than those designated as fair value through profit or loss upon initial recognition) which would have met the definition of loans and receivables out of the trading category (i.e. out of the fair value through profit or loss category) if the entity has the intention and liability to hold the financial assets for the foreseeable future or until maturity. The reclassified assets would be carried at their fair value on the date of reclassificaiton, which will become their new costs or amortised costs, as applicable. The amendments also permit reclassification of financial assets from the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold the financial assets for the foreseeable future or until maturity. The amendments to HKAS 39 and HKFRS 7 are effective from 1 July 2008 and they can only be applied prospectively from that date.

New standards that have been issued but are not yet effective

The Group has not early adopted the following new or revised HKFRS that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32, HKAS 39 and HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate[1]

HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellation[1]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) Interpretation 9 and HKAS 39 (Amendments)	Reassessment of Embedded Derivatives[2]
HK(IFRIC) Interpretation 13	Customer Loyalty Programmes[4]
HK(IFRIC) Interpretation 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) Interpretation 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) Interpretation 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) Interpretation 18	Transfers of Assets from Customers[6]
Various	Annual Improvements to HKFRS 2008[7]

1 Effective for annual periods beginning on or after 1 January 2009

2 Effective for annual periods ending on or after 30 June 2009

3 Effective for annual periods beginning on or after 1 July 2009

4 Effective for annual periods beginning on or after 1 July 2008

5 Effective for annual periods beginning on or after 1 October 2008

6 Effective for transfers of assets from customers received on or after 1 July 2009

7 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

Among these new standards and interpretations, HKAS 1(Revised*) Presentation of Financial Statements* is expected to materially change the presentation of the Group's financial statements. The amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

In addition, HKFRS 8 *Operating Segments* may result in new or amended disclosures. The Directors are in the process of identifying reportable operating segments as defined in HKFRS 8.

The Directors are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

4. Segmented Information

Primary Reporting Format – Business Segments

The Group comprises four business segments as follows:

Coal mining	:	exploration and mining of coal resources
Coking coal	:	production of coking coal
Metals mining	:	exploration and mining of metals resources
Corporate investment	:	investment in corporate entities, both listed and unlisted

For the year ended 31 December 2008

	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Unallocated US$'000	Total US$'000
Revenue from external customers	-	-	-	6,423	-	6,423
Segment results	(137,771)	(10,426)	(7,245)	(13,166)	-	(168,608)
Finance costs						(854)
Operating loss						(169,462)
Share of profits of associates						403
Share of profit of a jointly controlled entity						7,701
Taxation						(324)
Loss for the year						(161,682)

As at 31 December 2008

	Coal Mining US$'000	Coking Coal US$'000	Metals Mining US$'000	Corporate Investment US$'000	Unallocated US$'000	Total US$'000
Segment assets	80,936	4,908	9,507	69,279	-	164,630
Available-for-sale financial assets	-	-	-	7,386	-	7,386
Interests in associates	-	14,937	-	-	2,426	17,363
Interest in a jointly controlled entity	-	-	34,295	-	-	34,295
Total assets	80,936	19,845	43,802	76,665	2,426	223,674
Segment liabilities	666	3	735	1,466	-	2,870
Borrowings	-	-	-	-	5,284	5,284
Total liabilities	666	3	735	1,466	5,284	8,154

	Coal Mining	Coking Coal	Metals Mining	Corporate Investment	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Depreciation	132	-	41	100	-	273
Share-based payments	-	-	-	1,924	-	1,924
Impairment loss on goodwill	131,469	10,408	1,177	-	-	143,054
Impairment loss on exploration and evaluation assets	-	-	912	-	-	912
Impairment loss on available-for-sale financial assets	-	-	-	10,730	-	10,730
Fair value loss on financial assets at fair value through profit and loss	-	-	-	1,513	-	1,513
Write off of loan receivables	1,346	-	-	-	-	1,346
Capital expenditure	7,334	-	2,118	33	-	9,485

For the nine months ended 31 December 2007

	Coal Mining (restated) US$'000	Coking Coal (restated) US$'000	Metals Mining (restated) US$'000	Corporate Investment (restated) US$'000	Unallocated (restated) US$'000	Total US$'000
Revenue from external customers	-	-	-	3,206	-	3,206
Segment results	(274)	-	(2,071)	(2,350)	-	(4,695)
Finance costs						(1,662)
Operating loss						(6,357)
Share of profits of associates						678
Share of profit of a jointly controlled entity						7,067
Taxation						-
Profit for the period						1,388

As at 31 December 2007

	Coal Mining (restated) US$'000	Coking Coal (restated) US$'000	Metals Mining (restated) US$'000	Corporate Investment (restated) US$'000	Unallocated (restated) US$'000	Total US$'000
Segment assets	199,739	15,271	9,146	140,342	-	364,498
Available-for-sale financial assets	-	-	-	620	-	620
Interests in associates	-	14,301	-	-	2,271	16,572
Interest in a jointly controlled entity	-	-	29,951	-	-	29,951
Total assets	199,739	29,572	39,097	140,962	2,271	411,641
Segment liabilities	9,972	-	212	2,622	-	12,806
Borrowings	-	-	-	-	14,142	14,142
Total liabilities	9,972	-	212	2,622	14,142	26,948

	Coal Mining (restated) US$'000	Coking Coal (restated) US$'000	Metals Mining (restated) US$'000	Corporate Investment (restated) US$'000	Unallocated (restated) US$'000	Total US$'000
Depreciation	-	-	24	40	-	64
Share-based payments	-	-	-	1,026	-	1,026
Fair value loss on financial assets at fair value through profit and loss	-	-	-	1,231	-	1,231
Capital expenditure	228,023	-	5	111	-	228,139

Secondary Reporting Format – Geographical Segments

The Group's business is managed on a world-wide basis. Asia Pacific is a major market for its mining and exploration of natural resources, and North America is a major market for its corporate investments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, investing funds or corporate investments.

There are no sales between the geographical segments.

For the year ended 31 December 2008

	Asia[1] Pacific US$'000	North[2] America US$'000	Western[3] Europe US$'000	Unallocated US$'000	Total US$'000
Revenue from external Customers	4,395	1,820	207	1	6,423
Segment assets	164,547	-	83	-	164,630
Capital expenditure	9,485	-	-	-	9,485

For the nine months ended 31 December 2007

	Asia[1] Pacific US$'000	North[2] America US$'000	Western[3] Europe US$'000	Unallocated US$'000	Total US$'000
Revenue from external customers	2,592	238	322	54	3,206
Segment assets	364,441	-	57	-	364,498
Capital expenditure	228,139	-	-	-	228,139

1 Asia Pacific includes the People's Republic of China (the "**PRC**" or "**China**")

2 North America includes the United States and Canada

3 Western Europe includes the United Kingdom

5. Operating Loss

	Year ended 31 December 2008 US$'000	Nine months ended 31 December 2007 US$'000
Operating loss is arrived at after charging:		
Auditors' remuneration		
- charge for the year/period	480	276
- under provision in prior period/year	43	3
Write off of loan receivables	1,346	-
Depreciation of owned property, plant and equipment	273	64
Operating lease charges on property and equipment^	859	459
Loss on disposal of property, plant and equipment	13	1
Impairment loss on goodwill	143,054	-
Impairment loss on exploration and evaluation assets	912	-
Impairment loss on available-for-sale financial assets	10,730	-
Fair value loss on financial assets at fair value through profit and loss	1,513	1,231
Share-based payments#	1,924	1,026
and crediting:		
Interest income on bank deposits*	2,498	587
Net foreign exchange gain*	755	195
Realised gain on disposal of financial assets at fair value through profit and loss	615	651
Realised gain on disposal of available-for-sale financial assets	1	-
Dividend income from financial assets at fair value through profit and loss*	-	748
Dividend income from available-for-sale financial assets*	354	214

^ Included in operating lease charges on property and equipment were Director's accommodation expenses of US$372,000 (nine months ended 31 December 2007: US$277,000) included in "employee benefit expenses" on the face of the consolidated income statement.

Included in share-based payments were employee share-based payment of US$1,522,000 (nine months ended 31 December 2007: US$943,000) in relation to share options granted to Directors and employees and non-employee share-based payment of US$402,000 (nine months ended 31 December 2007: US$83,000) in relation to share options granted to the Group's consultants, respectively.

* Included in revenue

6. Employee Benefit Expenses (Including Directors' Emoluments)

	Year ended 31 December 2008 US$'000	Nine months ended 31 December 2007 US$'000
Wages and salaries and benefits in kind	7,282	2,619
Discretionary bonuses	1,006	471
Pension costs – defined contribution plans	19	13
Share options granted to Directors and employees	1,522	943
	9,829	4,046

7. Finance Costs

	Year ended 31 December 2008 US$'000	Nine months ended 31 December 2007 US$'000
Interest on hire purchase	5	-
Interest on convertible bonds	292	1,250
Interest on redeemable convertible preference shares	557	412
	854	1,662

8. Taxation

	Year ended 31 December 2008 US$'000	Nine months ended 31 December 2007 US$'000
Deferred tax		
PRC withholding income tax	324	-

No provision for Hong Kong or overseas 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 year ended 31 December 2008.

Share of associates' tax credit for the year ended 31 December 2008 of US$160,000 (nine months ended 31 December 2007: tax payment of US$25,000) and share of a jointly controlled entity's tax payment of US$755,000 (nine months ended 31 December 2007: US$767,000) are included in the consolidated income statement as share of profits of associates and share of profit of a jointly controlled entity respectively.

The Hong Kong SAR Government enacted a reduction in the Profits Tax Rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. In March 2007, the government of the PRC enacted the new enterprise income tax rate for domestic and foreign enterprises in the PRC at 25% with effective from 1 January 2008.

At 31 December 2008, the Group has unrecognised tax losses of US$10,950,000 (2007: US$6,784,000) to carry forward against future taxable income. However, no deferred tax assets have been recognised as it is uncertain whether sufficient future taxable profits will be available for utilising the accumulated tax losses. The tax loss has no expiry date.

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

9. Net Loss/Profit Attributable to the Equity Holders of the Company

The net loss attributable to the equity holders of the Company dealt with in the financial statements of the Company amounted to US$151,828,000 (nine months ended 31 December 2007: profit of US$724,000), of which US$142,514,000 represented impairment loss on interests in subsidiaries (nine months ended 31 December 2007: nil).

10. (Loss)/Earnings Per Share

The calculation of basic (loss)/earnings per share is based on the loss attributable to the equity holders of the Company for the year of US$160,943,000 (nine months ended 31 December 2007: profit of US$1,603,000) and on the weighted average of 4,325,725,223 (nine months ended 31 December 2007: 1,901,529,052) ordinary shares in issue during the year/period.

Diluted loss per share for the year ended 31 December 2008 was not presented because the impact of the exercise of the share options and redeemable convertible preference shares were anti-dilutive.

The calculation of diluted earnings per share for the nine months ended 31 December 2007 was based on the profit attributable to the equity holders of the Company of US$1,603,000 and the weighted average of 1,978,677,614 ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share was calculated based on the weighted average of 1,901,529,052 ordinary shares in issue during the period plus the weighted average of 77,148,562 ordinary shares deemed to be issued at no consideration as if all the Company's share options have been exercised. The convertible bonds and the redeemable convertible preference shares outstanding during the nine months ended 31 December 2007 had an anti-dilutive effect on the earnings per share and were ignored in the calculation of diluted earnings per share.

Subsequent to the year end date and prior to the date of this announcement, an aggregate of 53,793,104 new ordinary shares were issued and allotted upon conversion of 2,000 redeemable convertible preference shares, being at a conversion price of HK$0.290 per share.

11. Trade Receivables

As at 31 December 2008 and 31 December 2007, the ageing analysis of trade receivables was as follows:

	31 December 2008 US$'000	31 December 2007 US$'000
1 to 3 months old	8	43
More than 12 months old	43	-
	51	43

The Group applies credit policies appropriate to the particular business circumstances concerned but generally requires outstanding amounts to be paid within 30 days of invoice. The fair value of the trade receivables was the same as illustrated above.

12. Trade Payables

Included in trade payables, accruals and other payables are trade payables with the following ageing analysis as at 31 December 2008 and 31 December 2007:

	31 December 2008 US$'000	31 December 2007 US$'000
Due within 1 month or on demand	663	-
More than 6 months	95	32
	758	32

CHAIRMAN'S STATEMENT

2008 was an extraordinary year for the global economy and in particular, for the base metals industry. As a result, this year we report an operating loss of US$6.99 million before asset write downs. This result was impacted by falls in prices across our major commodities, significant impairment of assets (a non-cash item) and restructuring costs. Our share of profit from our 40% stake in Dapingzhang was US$7.70 million.

Unfortunately, mining shares have had a significant de-rating since May of 2008 on the back of economic uncertainty. Our own share price has fallen in line with this de-rating which is disappointing for the management and shareholders of the Company.

While we expect commodity markets to remain volatile in the short-term, we are confident that longer-term market fundamentals should support growth in commodity demand and, therefore, in our earnings. We are becoming more optimistic that China will continue to grow during this period of global recession and that we are well situated geographically.

During the first half of 2008, the copper price on the Shanghai Futures Exchange was extremely robust closing at RMB 63,350 per tonne as at 30 June 2008. Zinc weakened in the first half of the year and closed at RMB 16,200 per tonne.

However, during the second half of the year, the copper price collapsed by over 61% to RMB 24,900 per tonne by 31 December 2008. The zinc price continued to weaken during the second half of 2008 closing at RMB 10,250 per tonne, down over 37% from 30 June 2008. This decline in commodity prices had a major impact on Regent's earnings performance.

Write-downs post tax of US$131.47 million were prudently taken on Regent's coal assets as a result of an assessment of the current market value of assets, with lower thermal coal prices negatively affecting the carrying value of some of our operations. These impairments are all non-cash items and consequently do not impact on the Group's strong cash position.

Asset write-downs of US$154.70 million have been recorded and are comprised of:

-Impairment of US$131.47 million for Zhun Dong and Ji Ri Ga Lang development projects
-Impairment of US$10.41 million for West China Coke
-Impairment of US$2.09 million for Simao Regent Minerals Limited
-Impairment of US$10.73 million for equity investments

Management reacted promptly to the rapid deterioration of market conditions, implementing a restructuring programme by reducing operational expenditure by over US$4 million.

Of particular importance, the Company has approximately US$76.85 million in cash, listed securities and cash receivables, with no external debt or hedging arrangements. This contrasts with many of the mining majors that became highly leveraged at the top of commodities cycle. No doubt this strong cash position with an unleveraged balance sheet will provide Regent with access to quality mining opportunities to profit from.

Outlook

I strongly believe that our operations and projects are in the right part of the world, Asia. Asia is fast becoming increasingly dominant, today accounting for nearly 30% of global domestic product. While China is experiencing a slow down, this slow down is concentrated in export-led sector. The sectors of the economy oriented more towards domestic consumption are still performing well.

The Dapingzhang mine is back to operating at full capacity, with mining having resumed in March 2009. It is pleasing to see the copper price climbing higher; it is now RMB 37,570 per tonne, up more than 50% from end of December 2008.

On behalf of the Board, I want to thank our senior management team for their efforts this year.

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

Revenue and Profits

The Group recorded a loss after tax and minority interests of US$160.94 million for the year ended 31 December 2008. Of the US$160.94 million loss, US$154.70 million represented impairment loss on,goodwill, exploration and evaluation assets and available-for-sale financial assets.

The jointly controlled entity and associates of the Group, Yunnan Simao Shanshui Copper Company Limited ("**YSSCCL**"), Regent Markets Holdings Limited ("**Regent Markets**") and West China Coke contributed a share of profit of US$7.70 million, a profit of US$0.86 million and a loss of US$0.46 million respectively to the Group for the year ended 31 December 2008. YSSCCL recorded a net profit of RMB 133.80 million (equivalent to US$19.25 million) for the year ended 31 December 2008.

On 29 October 2008, the Board resolved to reclassify the financial assets from "held for trading" to "available for sale" upon the amendment of the HKAS39, where the fair value adjustment of the "available of sale financial assets" would be recorded in "investment revaluation reserve" instead of "income statement" with effect from 1 July 2008.

The fair value loss from investments in the income statement for the year ended 31 December 2008 was US$0.28 million mainly due to the marked-to-market decrease in the shares of the Group's securities portfolio for the first six months of the year before the reclassification of the investments. Of this US$0.28 million fair value loss, US$1.23 million represented realised profit and US$1.51 million was an unrealised loss.

The Group continued to monitor its operating costs closely. The finance cost represented the interest expense of the redeemable convertible preference shares, convertible bonds and hire purchase which amounting to US$0.85 million for the year ended 31 December 2008.

The main elements of the loss are analysed as follows:

	US$ million
Share of profit from YSSCCL	7.70
Share of profit from Regent Markets	0.86
Share of loss from West China Coke	(0.46)
Coal mining and coking coal	(5.78)
Metals mining	(5.49)
Corporate investment	(2.23)
Impairment of goodwill	(143.05)
Impairment of exploration and evaluation assets	(0.91)
Impairment of available-for-sale financial assets	(10.73)
Finance costs	(0.85)
Total loss attributable to shareholders	(160.94)

Impairment Losses

The value of some of the Group's assets have been impaired in the financial statements due to falls in commodity prices resulting in a decline in the carrying value of these assets. In addition, there was impairment to Company's equity investments due to a decline in share prices. These impairments are all non-cash items and consequently do not impact on the Group's cash position.

Asset write-downs of US$154.70 million have been recorded and are comprised of:

-Impairment of US$131.47 million for Zhun Dong and Ji Ri Ga Lang development projects
-Impairment of US$10.41 million for West China Coke
-Impairment of US$2.09 million for Simao Regent Minerals Limited
-Impairment of US$10.73 million for equity investments

Balance Sheet

The shareholders' equity decreased by 44.58% to US$213.04 million as at 31 December 2008 from US$384.42 million as at 31 December 2007. The decrease was mainly due to (i) the buy-back of 665 million shares resulting in a total decrease of share capital and share premium of US$24.11 million, (ii) the conversion of US$9 million convertible bonds resulting in a total increase of share capital and share premium of US$9.24 million, (iii) the unrealised gain of US$2.31 million on foreign currency translation, and (iv) the loss of US$160.94 million for the year ended 31 December 2008.

The investments in YSSCCL of US$34.30 million, Regent Markets of US$2.43 million and West China Coke of US$14.93 million accounted for 16.10%, 1.14% and 7.01% of the shareholders' equity respectively. The Group's assets comprised: (i) goodwill of US$52.14 million, (ii) exploration and evaluation assets of US$31.39 million, (iii) cash of US$57.40 million, (iv) listed and unlisted investments of US$7.39 million, and (v) other assets and receivables of US$23.70 million.

The Group's liabilities comprised: (i) redeemable convertible preference shares (liability portion) of US$5.22 million and (ii) payables, accruals and others of US$2.93 million.

Funding

As at 31 December 2008, the Group had US$57.40 million cash or 26.94% of its total shareholders' equity, which does not take into account the Group's holding of listed securities that amounted to US$6.77 million.

The Company's subsidiaries, associates and jointly controlled entity may require funding as their businesses develop. It is expected that bulk of such funding will be obtained from the Group's own balance sheet.

Management of Risk

In 2008, the most significant risk affecting the profitability and viability in respect of the Company is the continued success and revenue derived from its 40% interest in YSSCCL, a Sino-foreign equity joint venture enterprise that produces a copper concentrate and a zinc concentrate with gold and silver credits. There are also risks affecting the Company's profitability and viability in 2008 in respect of Group's interest in Abagaqi Changjiang Mining Limited ("**ACMC**" or the "**Ji Ri Ga Lang Coal Project**"), Xin Jiang Regent Coal Limited ("**XJ Regent Coal**" or the "**Zhun Dong Coal Project**") and West China Coke. Risks relating to the Group's interests include:

Price Risk

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

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

Co-operation of the Joint Venture Partners

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

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

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

The smooth operation of YSSCCL, ACMC and West China Coke is dependent upon the co-operation of all joint venture parties.

Operational Risks

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

Uncertainties Related to Exploration

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

Licence Period of Exploration and Mining Rights

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

Capital Requirements and Funding Sources

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

Potential Cost Overruns on Expansion

In recent years, there have been cost overruns in mining and oil projects as the cost of raw materials such as steel have spiked unexpectedly. The Group and YSSCCL will expand its current mining operations. There is a risk that the costs could exceed the forecasts.

Operational Costs

The mining and exploration business requires timely supply of various raw materials and electricity. There is no assurance that interruptions or shortage of such supplies will not occur in the future. In addition, an increase in the price of such raw materials and/or electricity may have an adverse impact on the operation of the Group's or YSSCCL's projects.

Government Regulations

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

Political and Economic Considerations

The PRC government has been making efforts to promote reforms of the economic system. These reforms have brought about marked economic growth and social progress. However, revisions or amendments may be made to these policies and measures from time to time, and the Company is not in a position to predict whether any change in the political, economic or social conditions may adversely affect the operating results of the Group or YSSCCL.

Legal Considerations

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

Competition for Resources

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

Foreign Exchange Risk

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

The Group has not taken any currency hedge against its main investments in the PRC or elsewhere.

Credit Risk

YSSCCL is subject to credit risk through trade receivables. YSSCCL has two customers for its concentrates. Credit risk is mitigated through the use of provisional payment arrangements whereby 100% is paid within five business days after the issuance of the monthly provisional delivery notice.

The Company does not have any significant customers as its revenue is generated from (i) the realisation of investments, or (ii) earnings from its subsidiaries and associates, YSSCCL, and West China Coke. Credit risk also relates to derivative contracts arising from the possibility that a counterparty to an instrument in which the Company has an unrealised gain fails to perform. The Company transacts through Saxo Bank and does not consider the credit risk associated with these financial instruments to be significant.

Interest Rate Risk

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

Environmental Risk

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

Environmental risks relate to every mining company. The tailings storage facility where the tailings are discharged is usually the most important potential area of risk to consider. Spilling a tailings storage facility can be enormously damaging to the environment and expensive to clean up.

Currently YSSCCL's environmental and health and safety standards are far below international requirements. Management of YSSCCL has implemented recommendations for strengthening the tailings dam for seismic stability (as the mine is located in an active seismic region), designing a stable waste dump and sediment control from the existing and future waste dumps to minimise the impact on the downstream rivers and compiling a comprehensive environmental management system. The comprehensive environmental management system requires the support and "buy in" of the Chinese joint venture partners, management and the operating personnel of YSSCCL.

The approach for health and safety will be similar to the environmental plan. Since April 2006 there was no lost time injury at Dapingzhang. The focus is on training the workforce in appropriate safety procedures.

The Company's focus is on working with its joint venture partners and the management of YSSCCL for developing and operating the mine in a manner that controls and minimises pollution and takes into account the local cultural sensitivities and community expectations.

At the mine site, community initiatives are centered on land compensation and training locals in the skills required for employment at the mine. Land compensation will be integral to building trust with the local communities.

Accidents and Insufficient Insurance Coverage

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

Ji Ri Ga Lang Coal Project and Zhun Dong Coal Project - Conversion of Exploration Licences into Mining Licences

The Group, acting through Regent Coal, completed the acquisition of a 51% equity interest in ACMC in December 2007 and shall acquire the remaining 49% equity interest on the issuance of the mining licence and the completion of certain other conditions precedent.

The Group, acting through Regent Coal, completed the acquisition of XJ Regent Coal in March 2008. XJ Regent Coal, in turn, holds four exploration licences for it to explore the coal resources over the permitted area on an exclusive basis in respect of the Zhun Dong Coal Project. These exploration licences are the only major assets of XJ Regent Coal.

The only major assets of ACMC and XJ Regent Coal (besides cash) are the above referenced exploration licences for ACMC and XJ Regent Coal to explore the coal resources over the permitted area on an exclusive basis. Both ACMC and XJ Regent Coal will require a mining licence or licences to exploit and mine the coal resources and both are currently in the process of applying for such mining licence. The Directors understand that an exploration licence can be converted into a mining licence provided that, upon application, all relevant documents are filed with the approving authorities, including but not limited to an approved geological exploration and reserves report together with relevant documents such as their qualifications certificate, proposal for development and use of mineral resources and environmental impact assessment report, among others. Due to the uncertainties in the relevant PRC laws and regulations regarding the procurement of mining rights, there is no assurance that either ACMC or XJ Regent Coal will be successful in procuring the necessary mining right permits. Failure to procure the mining rights will have a material adverse effect on the Group's business and the results of its operations.

West China Coke

We understand that West China Coke has not obtained land use rights and building ownership certificates to some of its buildings and facilities. Further, West China Coke has not obtained planning/construction permits for most of such buildings, the absence of which may materially impair the likely success of any subsequent application to be made for building ownership certificates in respect of such buildings. As the land use rights and buildings are West China Coke's main assets and operating facilities, its operating rights and production in connection with such lands or facilities may be adversely impacted due to the above mentioned issues. There can be no assurance that no material difficulties will arise in resolving such issues. If any such issues cannot be resolved, the operating and financial condition of West China Coke could be materially and adversely affected. In addition, there can be no assurance that West China Coke will not become subject to administrative penalties for violation of land administration/planning/construction requirements under the PRC law due to the above mentioned issues.

West China Coke has not completed the requisite environmental impact assessment in respect of one of its three operating coke ovens (built in 2004). Should the relevant local authority view all three of West China Coke's coke ovens as one coke production business, the failure to conduct the environmental impact assessment and obtain the environmental protection authority's confirmation of the results of the assessment may delay the acceptance of the auxiliary environmental protection facilities of all three coke ovens operated by West China Coke. Such delay itself may have adverse knock-on consequences for West China Coke, including delays to: (i) the acceptance of the main body of the construction (i.e. the coke ovens); (ii) the issuance of a pollutant release permit; and (iii) the approval of any application for title certificates for real properties constructed in respect of West China Coke. The Company understands that the environmental protection authority has the right to require West China Coke to suspend its production and to take certain remedial steps.

Cyclical Nature of Coal Markets and Fluctuations in Coal Prices

The business and results of operations of the Group's coal projects are expected to be substantially dependent on the domestic supply of and demand for coal. Historically, the domestic markets for coal and coal-related products have at times experienced alternating periods of increased demand and excess supply. The fluctuations in supply and demand are caused by numerous factors beyond the Group's and the coal projects' control, which include, but are not limited to:

- domestic economic and political conditions and competition from other energy sources;

- the rate of growth and expansion in industries with high coal demand, such as the power and steel industries; and
- the indirect influence on domestic coal prices by the PRC government through its regulation of on-grid tariffs and the allocation of transportation capacity on the national rail system.

There can be no assurance that the domestic demand for coal and coal-related products will continue to grow, or that the domestic market for coal and coal-related products will not experience excess supply. A significant decline in demand for, or an over-supply of, coal and coal-related products may have a material adverse effect on the Group's and the coal projects' business, results of operations and financial condition.

Maximum Foreign Equity Holding Permitted in Coal Exploration and Mining

The Ministry of Commerce and the State Development and Reform Commission of the PRC have recently updated and re-published the State Catalogue for the Guidance of Foreign Invested Industries (the "**Catalogue**"). All industries, according to the Catalogue, are divided into four categories (i.e. encouraged, permitted, restricted and prohibited) representing the policies of the State toward foreign investment in different industries. According to the Catalogue, the "exploration and development of coal resources" have been removed from the encouraged category. Under the restricted category of the Catalogue, there is a requirement for a Chinese party to hold a majority equity interest in "exploration and mining of special and scarce coals". The existing PRC law offers no clear guidance as to what coals shall be considered as "special and scarce". As advised by the Company's PRC legal adviser, after consultation with several experts in the PRC mining industry and an official of the Ministry of Land and Resources on a no-name basis, the Company understands that the view widely held in the industry is that "special and scarce coals" shall primarily include hard coking coals and high-quality low-ash coals. Based upon this understanding, this restriction on "special and scarce coals" is very unlikely to adversely affect the Ji Ri Ga Lang Coal Project and the Zhun Dong project. However, given the apparent tightening of State policies toward foreign investment in the mining industry as reflected in the Catalogue, there is a possibility that the PRC authorities may adopt a broader interpretation of "special and scarce coals" which may cover the coal resources involved in the Ji Ri Ga Lang Coal Project and the Zhun Dong project. As a consequence, the PRC authorities may require the foreign majority equity interests in ACMC and the foreign invested company incorporated in Xinjiang be reduced to a minority interest.

Change in Regulations to Exploitation of Resources by the State Investment Catalogue

The Catalogue has also imposed an express ban on foreign investment in the exploration and mining of certain rare or non-renewable mineral resources. Specifically, the exploration and exploitation of tungsten, tin, antimony, molybdenum and fluorite have now been categorised as "prohibited". Shareholders shall note that the exploration of thermal coal and related resources and the exploration of copper, lead and zinc and aluminium are now in the permitted category after being removed from the encouraged category. Further changes in regulations could have a material adverse effect on the ability of the Group to conduct its exploration and mining operations in China.

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 2008, the amount of these margin deposits was US$49,000 (31 December 2007: US$70,000).

In terms of the total operations of the Group, activities of this nature are of limited materiality.

Employees

The Group, including subsidiaries but excluding associates and a jointly controlled entity, employed approximately 40 employees at 31 December 2008. The remuneration policy is to reward key employees by a combination of salaries, profit related bonuses 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, grants of share awards will be agreed by the Remuneration Committee of the Board. During the year and up to the date of this announcement, 150,125,000 share awards were granted to eligible participants.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2008 (nine months ended 31 December 2007: nil).

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Code on Corporate Governance Practices (the "**Code on CG Practices**") was introduced to Appendix 14 to the HK Listing Rules in November 2004 to take effect on 1 January 2005 (and applicable to accounting periods commencing on or after 1 January 2005), with an exception in respect of the provisions on internal controls, which took effect on 1 July 2005 (and applicable to accounting periods commencing on or after 1 July 2005). Appropriate actions were duly taken by the Directors for ensuring that the Company was in compliance of all code provisions in the Code on CG Practices.

The Company is committed to high standards of corporate governance, for which the Directors are accountable to the Company, and has applied the principles of the Code on CG Practices since their adoption on 1 January 2005 as mentioned above in a manner consistent with best practices of a listed issuer. The primary responsibility for ensuring that the Code on CG

Practices is complied with rests with the Board with the full support of the Company's secretary and its executive management.

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

Save for the following, as far as the Directors are aware, the Company has complied with the code provisions set out in the Code on CG Practices during the year ended 31 December 2008:

(a) Code Provision A.1.1 requires that the Directors meet regularly and board meetings be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2008, the Board held three meetings as issues could be sufficiently resolved by way of written resolutions circulated to and signed by all Directors. However, no matters in which a substantial shareholder or a Director had a conflict of interest, which the Board had determined to be material, were dealt with by way of circulation of written resolutions or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a Board meeting).

(b) Code Provision E.1.2 requires that the Chairman of the Board attend the annual general meeting and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting. Due to personal commitments, the Co-Chairmen of the Board (James Mellon and Stephen Dattels), the chairman of the audit committee (Julie Oates) and the chairman of the remuneration committee (James Mellon) did not attend the Company's annual general meeting held on 12 June 2008. However, the Chief Executive Officer (Jamie Gibson) and the Finance Director (Clara Cheung) were duly appointed to answer questions at the meeting.

REVIEW BY THE AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2008 have been reviewed by the audit committee of the Company (the "**Audit Committee**").

The Audit Committee was established on 11 March 1999, with written terms of reference amended on 18 March, 2005, in compliance of the code provisions in C.3 of the Code on CG Practices, and further revised on 5 January 2007 to incorporate issues relating to internal controls. The committee's purpose is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and the internal control and risk management systems of the Company, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

In compliance of Rule 3.21 of the HK Listing Rules, the Audit Committee currently comprises the Non-Executive Co-Chairman of the Board (James Mellon) and two independent non-executive Directors, namely Julie Oates and Mark Searle. The committee is chaired by Julie Oates. The Audit Committee is in compliance of Rule 3.21 of the HK Listing Rules.

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

Terms of reference of the Audit Committee are available at the Company's website: www.regentpac.com.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2008, an aggregate of 664,656,000 shares were repurchased by the Company on the HK Stock Exchange at a total consideration of HK$185,091,790 (approximately US$23,729,717).

The Company has not sold or redeemed any of its listed securities during the year ended 31 December 2008 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 2008 will be despatched to all its shareholders and be published on the aforesaid websites before 30 April 2009.

RESIGNATION OF DIRECTORS

The Directors announce that Stephen Bywater and John Stalker have resigned as non-executive Directors, both with effect from 8 April 2009, so as to enable them to concentrate on their other business interests, principally GCM plc and Niger Uranium Limited respectively.

There is no disagreement between Mr Bywater or Mr Stalker and the Board, nor are there any matters, to the best knowledge of the Directors, that need to be brought to the attention of the holders of securities of the Company in respect of their resignation. The Directors would like to thank Mr Bywater and Mr Stalker for their valuable contributions to the Board since their appointment and would like to wish them well in their future endeavours.

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)*
Clara Cheung
David Comba#
Julie Oates#
Mark Searle#
Jayne Sutcliffe*

* non-executive Directors
# independent non-executive Directors

Hong Kong, 8 April 2009