REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2005

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") announce the **audited** results of the Group for the year ended 31 March 2005, together with comparative figures for the year ended 31 March 2004, as follows:

Consolidated Income Statement

	Note	**2005** *US$'000*	**2004** *US$'000*
Turnover:			
Asset management and corporate finance	2	627	1,141
Corporate investment income and net realised and unrealised gains and losses on investments		2,798	369
Internet retailing		—	2
Other revenues		177	1,083
		3,602	2,595
Expenses:			
Staff costs	3	(1,975)	(3,073)
Rental and office expenses		(182)	(324)
Information and technology expenses		(188)	(237)
Marketing costs and commissions		(33)	(21)
Professional fees		(470)	(526)
Investment advisory fee		(204)	(124)
Other operating expenses		(392)	(291)
Operating profit/(loss) from ordinary activities	4	158	(2,001)
Share of (losses)/profits of associates		(35,218)	7,445
(Loss)/Profit before taxation		(35,060)	5,444
Taxation	5	(6,832)	(356)
(Loss)/Profit after taxation		(41,892)	5,088
Minority interests		(438)	(15)
Net (loss)/profit attributable to shareholders	6	**(42,330)**	**5,073**
Dividends	7	—	35,901
(Loss)/Earnings per share (US cent):	8		
— Basic		(3.5)	0.4
— Diluted		N/A	0.4

Notes:

1. **Basis of preparation and accounting policies**

These financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention except that other investments are valued at fair value.

The Group has changed certain of its accounting policies following the early adoption of Hong Kong Financial Reporting Standard ("**HKFRS**") 3 "Business Combinations", Hong Kong Accounting Standard ("**HKAS**") 36 "Impairment of Assets" and HKAS 38 "Intangible Assets". The early adoption of HKFRS 3 resulted in an increase in retained earnings of approximately US$20.4 million as at 1 April 2004. This was a result of the derecognition of the negative goodwill balance as at that date.

2. **Segmented information**

An analysis of the Group's revenue and results for the year by business segments is as follows:

For the year ended 31 March 2005

	Asset management	**Corporate finance**	**Corporate investment**	**Internet retailing**	**Inter-segment elimination**	**Others**	**Consolidated**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue from external customers	802	2	2,798	—	—	—	3,602
Inter-segment revenue	1	—	3	—	(4)	—	—
	803	2	2,801	—	(4)	—	3,602
Segment results	(999)	(58)	1,223	(8)	—	—	158
Unallocated operating expenses							—
Profit from operations							158
Share of losses of associates							(35,218)
Taxation							(6,832)
Minority interests							(438)
Net loss attributable to shareholders							(42,330)

For the year ended 31 March 2004

	Asset management	Corporate finance	Corporate investment	Internet retailing	Inter-segment elimination	Others	Consolidated
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue from external customers	1,136	88	1,369	2	—	—	2,595
Inter-segment revenue	2	—	3	—	(5)	—	—
	1,138	88	1,372	2	(5)	—	2,595
Segment results	(1,073)	(239)	(679)	(10)	—	—	(2,001)
Unallocated operating expenses							—
Loss from operations							(2,001)
Share of profits of associates							7,445
Taxation							(356)
Minority interests							(15)
Net profit attributable to shareholders							5,073

3. **Staff costs**

	2005	2004
	US$'000	*US$'000*
Wages and salaries	1,960	1,786
Discretionary bonuses	—	1,267
Pension costs — defined contribution plans	15	20
	1,975	3,073

The amount includes Directors' remuneration in respect of service in the current year.

4. **Operating profit/(loss) from ordinary activities**

Operating profit/(loss) from ordinary activities is stated after charging/crediting the following:

	2005	**2004**
	US$'000	*US$'000*
After charging:		
Auditors' remuneration	158	130
Bad debts written off	38	9
Depreciation on owned fixed assets	18	39
Loss on disposal of fixed assets	10	—
Operating lease rental on property	117	184
After crediting:		
Write-back of provisions for corporate finance expenses	—	1,270
Net realised profit on disposal of current other investments*	332	239
Net realised profit on disposal of non-current other investments*	307	37
Interest income on bank deposits*	6	5
Dividend income from investments*	28	41
Net unrealised profit on current other investments*	83	—
Net unrealised profit on non-current other investments*	2,034	123

* Included in turnover

5. **Taxation**

	2005	**2004**
	US$'000	*US$'000*
Group:		
Overseas taxation		
— Under-provisions in prior years	7	—
Share of tax of associates	6,825	356
	6,832	356

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.

6. **Net profit attributable to shareholders**

The net profit attributable to shareholders dealt with in the financial statements of the Company amounted to US$5,283,000 (2004: US$3,540,000).

7. **Dividends**

	2005	**2004**
	US$'000	*US$'000*
Special interim, paid, of Nil (2004: 0.295 US cent) per share	—	3,505
Proposed, of Nil (2004: 2.72 US cents) per share	—	32,396
	—	35,901

8. **(Loss)/Earnings per share**

a. The calculation of basic (loss)/earnings per share is based on the net loss attributable to shareholders for the year of US$42,330,000 (2004: net profit of US$5,073,000) and on the weighted average of 1,192,558,921 (2004: 1,187,858,938) shares of the Company in issue during the year.

b. No diluted loss per share is presented for the year ended 31 March 2005 as the outstanding share options were anti-dilutive. The diluted earnings per share for the year ended 31 March 2004 was based on the net profit attributable to shareholders for the year of US$5,073,000 and on 1,189,783,702 shares, which was the sum of the weighted average number of shares in issue during the year of 1,187,858,938 shares plus the weighted average number of 1,924,764 shares deemed to be issued at no consideration if all the Company's outstanding share options had been exercised.

CHAIRMAN'S STATEMENT

The Group recorded a loss attributable to shareholders of US$42.3 million (2004: profit of US$5.1 million) in the year ended 31 March 2005, representing a loss per share of 3.5 US cents (2004: earnings per share of 0.4 US cent). The loss was mainly attributable to the Group's share of loss after tax from Bridge Investment Holding Limited ("**BIH**" and together with its subsidiaries the "**BIH Group**") of US$42.6 million. The revenue of the corporate investment business division increased significantly to US$2.8 million (2004: US$1.4 million), while the revenue of the asset management business division was reduced by 29.3% to US$0.8 million (2004: US$1.1 million), which was primarily due to the reduction in assets under management.

The value of shareholders' equity decreased by 47.2% to US$51.4 million (2004: US$97.3 million) over the previous year, which was primarily a result of the Company equity accounting the loss after tax from BIH of US$42.6 million including US$25.3 million in respect of BIH's impairment of US$62.9 million in its investment in Bridge Securities Co., Ltd ("**BSC**"). Net assets per share were 4.3 US cents (2004: 8.2 US cents), a decrease of 47.6% over the previous year.

I set out below a brief summary of the main elements of the loss after tax attributable to shareholders as follows:

	US$ million
Share of loss connected with BIH	(35.9)
Share of profit from other associates	0.7
Corporate investments	1.2
Asset management	(1.4)
Others	(0.1)
Loss before tax	(35.5)
Tax	(6.8)
Loss after tax attributable to shareholders	(42.3)

In terms of the consolidated balance sheet, the main elements consist of:

	US$ million
Stake in BIH	41.5
Value of technology related assets	3.0
Other net assets	6.9
Total shareholders' equity	51.4

Full details of the figures and summary are contained in the annual report and the Management's Discussion and Analysis section, respectively.

On 26 August 2004, shareholders approved the payment of a final dividend of 2.72 US cents per share. On the basis of the Company's then issued share capital, payment of the final dividend amounted to approximately US$32.5 million. Accordingly, together with the 2004 special interim dividend, the Directors have approved a distribution in aggregate of 3.015 US cents per share or 90% of the proceeds received from BIH, which is in line with the Directors' stated intention concerning distributions received from BIH. The dividend of 2.72 US cents was paid on 17 September 2004.

During the year and up to the date of this announcement, no new shares, whether ordinary or deferred shares, were issued to third parties (2004: Nil) apart from 3.2 million shares, which were issued pursuant to the exercise of various options.

My fellow Director, Jamie Gibson, will provide an update concerning the main operations of the BIH Group, which is as follows:

1 BRIDGE INVESTMENT HOLDING LIMITED

1.1 REALISATION OF BRIDGE SECURITIES CO., LTD

The board of directors of BSC has approved on 23 June 2005 a KRW 100 billion mandatory capital reduction (the "**Mandatory Capital Reduction**"), pursuant to which BSC's shares will be repurchased by BSC mandatorily at KRW 3,380 (or US$3.3) per share, representing approximately 52.1% of BSC's net asset value as at 31 March 2005. It is expected that the Mandatory Capital Reduction will complete on or around 20 September 2005.

It is the intention of the BIH directors to distribute the net proceeds received from the Mandatory Capital Reduction to all shareholders, after making provision for sufficient working capital, including the payment of all trade creditors and outstanding Korean withholding taxes and interest accrued on the late payment of such withholding taxes amounting in aggregate to US$12.9 million. It is the BIH directors' intention that BIH will therefore distribute to all shareholders approximately US$60.57 million received from BSC equivalent to US$1.35 per share. However, the BIH directors will consider the amount of the distribution that BIH will make to all shareholders nearer the time the proceeds are paid by BSC and an appropriate update will be made to BIH shareholders in the usual manner.

1.2 SHARE SALE OPTION AGREEMENT

The share sale option agreement relating to the sale of 62,341,329 BSC shares was entered into on 13 July 2005 amongst BIH, certain BIH subsidiaries, Golden Bridge Co., Ltd ("the **Purchaser**") and others (the "**Share Sale Option Agreement**"), which has replaced the call option agreement dated 24 June 2005 entered into amongst the same parties (the "**Call Option Agreement**").

Pursuant to the Share Sale Option Agreement, BIH, among others, has agreed to sell to the Purchaser its BSC shares (such shares will be reduced by 41.2231177%, representing the number of shares purchased by BSC pursuant to the Mandatory Capital Reduction), at a total consideration of KRW 33.98 billion (or US$33.61 million). Of the consideration of KRW 33.98 billion, an initial consideration of KRW 3.4 billion (or US$3.36 million) in cash was paid by the Purchaser on 29 June 2005 under the Call Option Agreement for the grant of a call option over the said 62,341,329 BSC shares.

BIH will receive approximately US$106.7 million in respect of the Mandatory Capital Reduction and the sale of its BSC shares, net of estimated Korean taxes.

If both the Mandatory Capital Reduction and share sale are completed in accordance with the terms indicated above, BIH anticipates making two or more distributions for a total amount of approximately US$2.10 per share or US$94.18 million. The BIH directors hope that the distributions shall be made not later than 31 October 2005.

1.3 OPERATIONAL PERFORMANCE

1.3.1 Summary

BIH recorded a loss attributable to shareholders of US$106.1 million (2004: profit of US$8.3 million) for the year ended 31 March 2005, representing a loss per share of US$2.37 (2004: earnings per share of US$0.18).

The change in results is mainly due to the following items:

i) ***Operating Income:***

BSC generated an operating loss before significant non-operating items and tax of approximately US$3.6 million, which was consolidated by BIH.

ii) ***Significant Non-Operating Gains:***

BIH booked the following significant non-operating gains:

- BSC realised a gain of KRW 6.9 billion (or US$6.8 million) from the sale of its BSC Building and Regent Securities Building to a third party for a consideration in aggregate of KRW 71.4 billion (or US$61.5 million), which was consolidated by BIH.

- BIH recognised an unrealised revaluation gain of US$5.4 million from BSC's holding of shares in the Korea Exchange ("**KRX**").

iii) ***Significant Non-Operating Expenses:***

BIH booked the following significant non-operating charges:

- BSC incurred restructuring charges totaling KRW 34.2 billion (or US$30.9 million) in respect of an early retirement programme ("**ERP**"), loyalty bonuses paid to non-retiring staff and the cost of closing 19 branches following the ERP, which were consolidated by BIH.

- The BIH Group paid Korean withholding tax of US$2.4 million on 25 June 2004 concerning the share split that was approved by the BSC directors on 13 May 2004.

- The BIH Group paid Korean withholding tax of US$8.1 million concerning the capital reduction by BSC of 150 million shares at KRW 1,000 per share on 16 August 2004.

- BIH made a provision of US$5.9 million concerning additional withholding tax imposed by the National Tax Service of Korea on the deemed dividends received from BSC in the years of assessment of 2000, 2003 and 2004.

- Litigation commenced by Peter Everington and Romi Williamson against BIH was settled.

- The BIH directors decided to make a provision of US$62.9 million for the impairment of its investment in BSC, based on the proceeds likely to be received from the Mandatory Capital Reduction and the subsequent sale of the BIH Group's shares in BSC to the Purchaser.

1.3.2 **Balance Sheet**

Shareholders' equity decreased by 54.5% to US$103.3 million as at 31 March 2005 from US$227.2 million as at 31 March 2004. The decrease was due to (i) payment of a dividend of US$89.6 million to shareholders on 20 August 2004, and (ii) an operating loss of US$106.1 million (including the provision for impairment of US$62.9 million on the BIH Group's investment in BSC as mentioned above) offset by (iii) an unrealised foreign exchange revaluation surplus of US$21.0 million, and (iv) derecognition of negative goodwill of US$50.8 million in retained earnings, due to the adoption of the new International Financial Reporting Standard 3 "Business Combinations". Net assets per share were US$2.31.

1.3.3 **Funding**

As at 31 March 2005, the BIH Group's cash balance excluding BSC was US$0.4 million. BSC completed on 16 August 2004 a mandatory buy back of 150 million shares at KRW 1,000 per share at a total cost of KRW 150 billion. BSC therefore mandatorily purchased 67.637667% of each shareholder's interest in BSC. Accordingly, the BIH Group received KRW 116.63 billion (or US$100.7 million) before payment of Korean withholding tax of KRW 9.3 billion (or US$8.1 million).

BIH paid a dividend of US$2.00 per share on 20 August 2004.

1.3.4 **Investments**

The BIH Group owns 77.75% of the outstanding share capital of BSC, being the BIH Group's only operating company. During the year, the BIH Group acquired 225,097 BSC shares at an average price per share of KRW 3,273, which preceded the share split of 3.9 shares for every one share held that was approved by the BSC directors on 13 May 2004. As a result of this share split, the BIH Group paid Korean withholding tax of KRW 2.7 billion (or US$2.4 million) on 25 June 2004.

In June 2004, BSC completed the disposal of 5.5 million Treasury Shares at an average price per share of KRW 830.90 to facilitate the retention of BSC's listing on the Korea Exchange, which has reduced the BIH Group's interest in BSC to 77.75% from 79.73%.

1.4 SIGNIFICANT DEVELOPMENTS

Below is a summary of the more significant developments concerning the realisation of BIH's interest in BSC:

- BIH paid a dividend of US$2.00 per share on 20 August 2004.
- BSC is in the process of completing on or around 20 September 2005, the Mandatory Capital Reduction which is equivalent to 52.1% of the shareholders' funds of BSC as at 31 March 2005.
- On 13 July 2005, the BIH Group signed the Share Sale Option Agreement with the Purchaser for the sale of all its BSC shares for a total consideration of KRW 33.98 billion (approximately US$33.61 million), which has replaced the Call Option Agreement.

If both the Mandatory Capital Reduction and share sale are completed in accordance with the terms indicated above, BIH anticipates making two or more distributions for a total amount of approximately US$2.10 per share or US$94.18 million. The BIH directors hope that the distributions shall be made not later than 31 October 2005.

2 BIH DISTRIBUTION

As noted above, your Directors understand that it is the intention of the BIH directors to distribute the net proceeds received from the Mandatory Capital Reduction to BIH shareholders, after making provision for sufficient working capital, including payment of all trade creditors and outstanding Korean withholding taxes and interest accrued on the late payment of such withholding taxes amounting in aggregate to US$12.90 million. On that premise, the Directors expect the Company to receive approximately US$24.35 million from BIH, net of estimated Korean taxes. It is the intention of your Directors that the Company will distribute 90% of the net proceeds received from BIH, subject to the Group retaining sufficient working capital for the next 24 months. Your Directors will consider the amount of the distribution that the Company will make to all shareholders nearer the time the proceeds are paid to BIH shareholders and an appropriate announcement will be made to shareholders in the usual manner.

If the Share Sale Option Agreement completes whereby BIH's BSC shares are purchased by the Purchaser, it is, as far as the Directors understand, the intention of the BIH directors to distribute the net proceeds received from the Purchaser to BIH shareholders, after making provision for sufficient working capital, including payment of all trade creditors and outstanding Korean withholding taxes and interest accrued on the late payment of such withholding taxes amounting in aggregate to US$12.90 million. On that premise, the Directors expect the Company to receive approximately US$13.52 million from BIH, net of estimated Korean taxes. It is the intention of your Directors that the Company will distribute 90% of the net proceeds received from BIH, subject to the Group retaining sufficient working capital for the next 24 months. Your Directors will consider the amount of the distribution that the Company will make to all shareholders nearer the time the proceeds are paid to BIH shareholders and an appropriate announcement will be made to shareholders in the usual manner.

On the basis of the above estimation, the total proceeds to be received by the Company from BIH in respect of the Mandatory Capital Reduction and the sale of BIH's BSC shares, net of estimated Korean taxes, will amount to approximately US$37.87 million.

3 FUND MANAGEMENT

The Group has assets under management of US$27.1 million. During the year, Asian Opportunity Fund 1998 - II was wound up after returning the bulk of its investments in cash to shareholders. In addition, during the year and up to the date of this announcement, Asian Opportunity Fund 1998 - I and Undervalued Assets Property Fund - Series Two have returned in aggregate US$3.3 million and US$7.9 million respectively to their shareholders. It is the Group's intention that it will focus entirely on its corporate investments, including in particular its recent announcements relating to the establishment of a joint venture company for the purposes of exploring, mining, processing and selling base metals in the People's Republic of China (the "**PRC**") (see below for further information).

4 TECHNOLOGY INVESTMENTS

The Group's 49.9% associate, Regent Markets Holdings Limited ("**Regent Markets**", formerly known as Exchangebet.com Holdings Limited), provides online financial betting services via the websites *betonmarkets.com* and *betonmarkets.co.uk.* The group has continued to perform in the year ended 31 March 2005, achieving turnover of US$72 million, gross profit of US$2.9 million, and net profit after tax of US$1.1 million. The group however suffered some setbacks such as a slow start to turnover and profits in 2005 and an increased competitive environment. However the group remains on track with a growth strategy targeted at the United Kingdom and China markets, supported by its core strengths in IT and compliance.

Regent Markets has offices in Malta, the Isle of Man, and Cyberjaya, Malaysia, and operates via bookmakers licenses in the United Kingdom, Isle of Man, and Malta. The company's growth leverages from its low cost bases in Malta and IT centre in Malaysia, enabling it to generate organic profits, which are invested into marketing, research & development and further expansion.

5 OUTLOOK

The Group is committed to realising its investment in BIH and your Directors are hopeful that the BIH directors will achieve this by 31 October 2005.

As you may know from the Company's announcement dated 4 July 2005, the Company entered into a cooperation agreement on 23 June 2005 with Red Dragon Resources Corporation ("**RDRC**"), among others, for the conditional acquisition of all the issued share capital of RDRC for a total consideration of US$4.8 million. The Company has paid US$3.5 million to-date for an 80% equity interest in RDRC, with the balance due in consideration shares subject to the approval of shareholders at the Company's extraordinary general meeting that is expected to take place in September 2005.

RDRC is currently in discussions with a Chinese company with the view to establishing a joint venture company (the "**JV Company**") for the purposes of exploring, mining, processing and selling base metals in the PRC. If the JV Company is established, RDRC can acquire an 80% interest for a cash investment of US$27 million. Such cash investment will be funded through a combination of the Company's internal working capital resources and external financing (by way of equity and/or debt financing), the relative proportions of which have not yet been determined.

Your Directors believe that the Company will capture a good opportunity for investment in the minerals exploration, mining and processing industry in the PRC in the form of an investment in the JV Company. In particular, shareholders should note that the current investment opportunity, which is the subject of the joint venture negotiations, is a profitable mine currently mining, processing and selling certain types of base metals in the PRC.

The Company will continue to be an investment holding company and as such is regularly evaluating and considering new investment opportunities particularly in the light of the need for reinvestment of part of the proceeds to be received from BIH. Your Directors believe that the current investment opportunity can if successfully completed, provide an excellent opportunity for creating shareholder value.

Your Directors remain committed towards taking steps that will enhance the value of all shareholders' investment in the Company.

I would like to thank my fellow Directors and colleagues for all their hard work during the past 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$42.3 million for the year ended 31 March 2005.

The loss was mainly attributable to the Group's share of loss after tax of US$42.6 million (after adjustment in accordance with the Group's accounting policy) from BIH. BIH recorded a loss attributable to shareholders of US$106.1 million for the year ended 31 March 2005.

The BIH loss is mainly attributable to:

	US$ million
By business:	
— Bridge Securities Co., Ltd (before the following significant items)	(3.6)
— Profit on sale of properties (including the sale of the BSC Building and Regent Securities Building)	5.7
— Revaluation of KRX	5.4
— Restructuring charge	(30.9)
— Impairment based on estimated proceeds from Mandatory Capital Reduction and subsequent sale	(62.9)
	(86.3)
— Corporate and other interests	(8.9)
Pre-tax loss	(95.2)
Write-down of deferred tax assets	(0.3)
Korean withholding tax	(16.4)
Minority interest	5.8
Net loss for the year	(106.1)

The revenue of the corporate investment business division increased significantly to US$2.8 million (2004: US$1.4 million), while the revenue of the asset management business division was reduced by 29.3% to US$0.8 million (2004: US$1.1 million), which was primarily due to the reduction in assets under management.

The main elements of the loss are as follows:

	US$ million
Share of loss connected with BIH (after adjustment in accordance with the Group's accounting policy)	(35.9)
Share of profit from other associates	0.7
Corporate investments	1.2
Asset management	(1.4)
Others	(0.1)
Loss before tax	(35.5)
Tax	(6.8)
Loss after tax and minority interests	(42.3)

Balance sheet

The shareholders' equity decreased by 47.2% to US$51.4 million from US$97.3 million during the year and BIH accounted for approximately 80.7% of the Group's total shareholders' equity as at 31 March 2005. The remaining Group assets comprised: (i) cash of US$1.1 million, (ii) technology investments of US$3 million and (iii) other corporate investments of US$5.8 million.

Dividend

On 20 August 2004, the Company received a dividend of US$36 million from BIH. On 26 August 2004, the Company's shareholders approved the payment of a final dividend of 2.72 US cents per share. On the basis of the Company's then issued share capital, payment of the final dividend amounted to approximately US$32.5 million. Accordingly, together with the 2004 special interim dividend, the Directors have approved a distribution in aggregate of 3.015 US cents per share or approximately 90% of the proceeds received from BIH, which is in line with the Directors' stated intention concerning distributions received from BIH. The dividend was paid on 17 September 2004.

Future funding

As at 31 March 2005, the Group had US$1.1 million net cash or 2.1% of its total shareholders' equity, which does not take into account of the Group's holding of listed securities that amounts to US$4 million. There were no material charges against Group assets.

The Company's subsidiaries and associates may require funding as their businesses develop. It is expected that the bulk of such funding will be obtained from external sources but, dependent upon the amount and the duration, funding will also be made available by the Group from its internal resources.

Management of risk

The Company 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. The Group has not taken any currency hedge against the investments in Korea and elsewhere due to their non-cash nature and the high cost such hedging would involve.

As BIH was responsible for approximately 80.7% of the total shareholders' equity as at 31 March 2005, the Company is exposed to the fluctuations in the equity values of BIH. The exposure is to the Korean economy, and its credit and equity markets. The responsibility for management of these risks rests with the BIH management.

Through investments of Interman Holdings Limited and Interman Limited in technology related ventures, the Group is exposed to the technology sector. The ability of these companies in controlling their operating cash requirements is key to their development and hence the value of the Group's investment in them. The Group closely monitors the operations and performance of these companies.

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 March 2005, the amount of these margin deposits was US$275,000 (2004: US$185,000).

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

Contingent liabilities

The Group was not involved in any material litigation or disputes during the year ended 31 March 2005 apart from the action commenced by the former executive directors of BIH against BIH, which is described in the financial statements contained in the annual report.

Employees

The Group, including subsidiaries but excluding associates, employed approximately 10 employees at 31 March 2005. The remuneration policy is to reward key employees by a combination of salaries, profit related bonuses and share options, 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 a remuneration committee of the Board. In all cases, grants of share options will be agreed by the Board as a whole. During the year and up to the date of this announcement, options in respect of an aggregate of 21,400,000 ordinary shares in the Company were granted to eligible participants.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year (2004: 2.72 US cents per share).

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises Anthony Robert Baillieu (the non-executive Chairman of the Board), James Mellon (a non-executive Director) and the three independent non-executive Directors, namely Julie Oates, Stawell Mark Searle and Robert George Curzon Whiting. The committee is chaired by Robert Whiting.

The audited financial statements of the Company for the year ended 31 March 2005 have been reviewed by the Audit Committee.

PUBLICATION OF FURTHER INFORMATION

This announcement is published in accordance with the transitional arrangements for Appendix 16 to The Rules Governing the Listing of Securities (the "**HK Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") in respect of the new disclosure requirements for preliminary final results announcements. All information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 to the HK Listing Rules, before the amendments on 31 March 2004, in respect of the preliminary announcement of the Company's final results for the year ended 31 March 2005 will be published on the websites of the Company (*www.regentpac.com*) and the HK Stock Exchange (*www.hkex.com.hk*) in due course.

DESPATCH OF ANNUAL REPORT

The annual report containing full details of the Company's audited final results for the year ended 31 March 2005 will be despatched to all its shareholders and be published on the aforesaid websites before 31 July 2005.

On behalf of the Board of
REGENT PACIFIC GROUP LIMITED

Anthony Baillieu
Chairman

Directors of the Company:
Anthony Baillieu *(Chairman)* *
Jamie Gibson *(Chief Executive Officer)*
Clara Cheung
James Mellon *
Julie Oates #
Mark Searle #
Jayne Sutcliffe *
Anderson Whamond *
Robert Whiting #

* *Non-Executive Directors*
\# *Independent Non-Executive Directors*

Hong Kong, 21 July 2005

Please also refer to the published version of this announcement in The Standard.