REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 **unaudited** results of the Group for the six months ended 30 September 2005, together with comparative figures for the corresponding period ended 30 September 2004, as follows:

Condensed Consolidated Income Statement
For the six months ended 30 September 2005

		(Unaudited) For the six months ended 30 September	
		2005	**2004 Restated**
	Note	*US$'000*	*US$'000*
Turnover:			
Asset management and corporate finance	3	244	324
Corporate investment income and net realised and unrealised gains and losses on investments and derivatives		2,453	166
Internet retailing		—	—
Other income		20	29
		2,717	519
Expenses:			
Staff costs		(3,725)	(1,162)
Rental and office expenses		(85)	(94)
Information and technology expenses		(84)	(108)
Marketing costs and commissions		(49)	(17)
Professional fees		(335)	(211)
Investment advisory fee		(109)	(104)
Other operating expenses		(188)	(106)

	Note	(Unaudited) For the six months ended 30 September 2005 US$'000	2004 Restated US$'000
Operating loss from ordinary activities	4	(1,858)	(1,283)
Share of profits/(losses) of associates		13,175	(12,973)
Profit/(Loss) before taxation		11,317	(14,256)
Taxation	5	—	—
Profit/(Loss) for the period		**11,317**	**(14,256)**
Attributable to:			
Equity holders of the Company		11,456	(14,256)
Minority interests		(139)	—
		11,317	**(14,256)**
Dividend	6	33,872	—
Earnings/(Loss) per share (US cent)	7		
- Basic		0.96	(1.20)
- Diluted		0.96	N/A

Condensed Consolidated Balance Sheet
As at 30 September 2005

	(Unaudited) As at 30 September 2005 *US$'000*	(Audited) As at 31 March 2005 *US$'000*
Non-current assets:		
Fixed assets	43	49
Investments in associates	39,425	43,023
Financial assets at fair value through profit and loss	3,955	—
Investment in securities	—	6,491
Due from an associate	—	435
	43,423	49,998
Current assets:		
Cash and bank balances	1,273	1,063
Investment in securities	—	121
Derivative financial instruments	52	—
Trade receivable	125	146
Prepayments, deposits and other receivables	4,708	902
Due from an associate	7	—
	6,165	2,232
Current liabilities:		
Trade payable, accruals and other payables	(3,186)	(395)
Net current assets	2,979	1,837
Net assets	**46,402**	**51,835**
Share capital	11,939	11,936
Reserves	34,154	39,451
Shareholders' equity	**46,093**	**51,387**
Minority interests	309	448
Capital and reserves	**46,402**	**51,835**

Notes:

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

   The condensed interim financial statements have been prepared in accordance with the requirements of The Rules Governing the Listing of Securities (the "**HK Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") and Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

   The condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended 31 March 2005.

   The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 March 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("**new HKFRS**") which are effective for accounting periods commencing on or after 1 January 2005.

The interim financial information has been prepared in accordance with those HKFRS standards and interpretations issued and effective or issued and early adopted as at the time of preparing this information. The HKFRS standards and interpretations that will be applicable at 31 March 2006, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this interim financial information.

The change to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2. **Changes in accounting policies**

(a) **Effect of adopting new HKFRS**

In 2005, the Group adopted the new/revised standards of HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Event after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 34	Interim Financial Reporting
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment

In 2004, the Group early adopted the new/revised standards of HKFRS below.

HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKFRS 3	Business Combinations

The adoption of new/revised HKASs 1, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 24, 27, 28, 32, 33, 34, 36, 37, 38, 39, HKFRS 2 and HKFRS 3 did not result in substantial changes to the Group's accounting policies. In summary:

— HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures.

— HKASs 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 24, 27, 28, 33, 34 and 37 had no material effect on the Group's policies.

— HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.

— HKAS 24 has affected the identification of related parties and some other related-party disclosures.

— The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of trading activities.

— The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 March 2005, the provision of share options to employees did not result in an expense in the income statements. Effective on 1 April 2005, the Group expenses the cost of share options in the income statement. The adoption of the new accounting policy does not have material impact on the financial statements of the Group.

— The Group had changed certain of its accounting policies following the early adoption of HKFRS 3, HKASs 36 and 38 as at 1 April 2004. 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 by an associate as at that date.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

— HKAS 16 - the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;

— HKAS 21 - prospective accounting for goodwill and fair value adjustments as part of foreign operations;

— HKAS 39 - does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with the standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("**SSAP**") 24 "Accounting for investments in securities" to investments in securities for the 2004 comparative information. The adoption of the new standard does not have any material impact on the retained earnings of the Group at 1 April 2005 since the other investments were stated at fair value at 31 March 2005;

— HKFRS 2 - only retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 April 2005; and

— HKFRS 3 - prospectively after the adoption date.

(b) **New accounting policies**

The accounting policies used for the condensed consolidated financial statements for the six months ended 30 September 2005 are the same as those set out in note 2 to the 2005 annual financial statements except for the following:

2.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.2 Property, plant and equipment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.3 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.4 Investments

From 1 April 2004 to 31 March 2005:

Investments are classified as investment securities and other investments.

(i) Investment securities are stated in the balance sheet at cost less any provision for impairment loss.

The carrying amounts of investment securities are reviewed as at each balance sheet date in order to assess whether the fair values have declined below the carrying amounts. When a decline has occurred, the carrying amount is reduced to the fair value unless there is evidence that the decline is temporary. The impairment loss is recognised as an expense in the income statement.

This impairment loss is written back to the income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(ii) Other investments are stated in the balance sheet at fair value. At each balance sheet date, the net unrealised gains or losses arising from changes in fair value are recognised within turnover in the income statement. Fair value for listed securities is quoted market price at the balance sheet date. Fair value for unlisted equity securities is directors' valuation, which may be based on net asset value or cost less provision for impairment loss of investments.

For unlisted open-ended investment companies, mutual funds and unit trusts, fair value is based on the latest reported net asset value of such investments at the balance sheet date as provided by the respective administrators.

(iii) Profits or losses on disposal of other investments are accounted for within turnover in the income statement as they arise.

From 1 April 2005 onwards:

The Group classifies its investments in the following categories: (a) financial assets at fair value through profit and loss, (b) loans and receivables, (c) held-to-maturity investments, and (d) available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluation this designation at every reporting date.

(a) **Financial assets at fair value through profit and loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. Otherwise, they are classified as non-current assets.

(b) **Loan and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet (note 2.5).

(c) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the period, the Group did not hold any investments in this category.

(d) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards or ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changing in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instrument are not reversed through income statement.

As at 30 September 2005, the Group did not have any available-for-sale financial assets.

2.5 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is an objective that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.8 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

2.9 Accounting for derivative financial instruments

From 1 April 2004 to 31 March 2005:

Derivative financial instruments are designated as "trading". The Group records derivative financial instruments at cost. The gains and losses on derivative financial instruments are included in the income statement. The Group records the marked-to-market gain/loss of the derivative financial instruments in the "prepayment, deposits and other receivables" on the balance sheet.

From 1 April 2005 onwards:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group records the marked-to-market gain/loss as derivative financial instruments on the balance sheet.

3. **Segmented information**

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

For the six months ended 30 September 2005

	(Unaudited)						
	Asset management	**Corporate finance**	**Corporate investment**	**Internet retailing**	**Inter-segment elimination**	**Unallocated**	**Consolidated**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue from external customers	264	—	2,453	—	—	—	2,717
Inter-segment revenue	1	—	2	—	(3)	—	—
	265	—	2,455	—	(3)	—	2,717
Segment results	(1,870)	(427)	442	(3)	—	—	(1,858)
Unallocated operating expenses							—
Loss from operations							(1,858)
Share of profits of associates							13,175
Taxation							—
Profit for the period							11,317

For the six months ended 30 September 2004

	(Unaudited)						
	Asset management	**Corporate finance**	**Corporate investment**	**Internet retailing**	**Inter-segment elimination**	**Unallocated**	**Consolidated**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue from external customers	353	—	166	—	—	—	519
Inter-segment revenue	1	—	1	—	(2)	—	—
	354	—	167	—	(2)	—	519
Segment results	(574)	(58)	(646)	(3)	—	(2)	(1,283)
Unallocated operating expenses							—
Loss from operations							(1,283)
Share of losses of associates							(12,973)
Taxation							—
Loss for the period							(14,256)

4. **Operating loss from ordinary activities**

	(Unaudited) For the six months ended 30 September 2005 *US$'000*	2004 *US$'000*
After charging:		
Auditors' remuneration	27	61
Bad debts written off	—	38
Depreciation on owned fixed assets	9	11
Loss on disposal of fixed assets	—	10
Operating lease rental on property	43	62
Net realised loss on derivative financial instruments*	70	—
Net unrealised loss on non-current other investments*	—	138
Staff costs	3,725	1,162
After crediting:		
Net realised profit on disposal of current other investments*	—	88
Net realised profit on disposal of non-current other investments*	—	182
Net realised profit on disposal of other financial assets at fair value through profit and loss*	2,199	—
Net realised profit on derivative financial instruments*	—	22
Interest income on bank deposits*	8	2
Dividend income from investments*	46	—
Net unrealised profit on derivative financial instruments*	52	—
Net unrealised profit on other financial assets at fair value through profit and loss*	224	—
Net unrealised profit on current other investments*	—	31

* *Included in turnover*

5. **Taxation**

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 period.

Share of associates' taxation for the six months ended 30 September 2005 of US$1,224,000 (2004: US$314,000) are included in the income statement as share of profits/(losses) of associates.

6. **Dividend**

	(Unaudited) For the six months ended 30 September 2005 *US$'000*	2004 *US$'000*
Special interim, proposed, of 2.837 US cents (2004: Nil) per share	33,872	—
	33,872	—

Note: On 27 October 2005, the Directors proposed a dividend of 22 HK cents (or 2.837 US cents) per share for the year ending 31 March 2006. This proposed dividend is not reflected as a dividend payable in this condensed financial information, but will be reflected as an appropriation of share premium for the year ending 31 March 2006.

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

a. The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company for the period of US$11,456,000 (2004: loss of US$14,256,000) and on the weighted average of 1,193,640,706 (2004: 1,187,955,402) shares of the Company in issue during the period.

b. The diluted earnings per share for the period ended 30 September 2005 is based on the profit attributable to equity holders of the Company for the period of US$11,456,000 and on 1,196,507,068 shares, which is the weighted average number of shares in issue during the period of 1,193,640,706 shares plus the weighted average number of 2,866,362 shares deemed to be issued at no consideration if the Company's outstanding share options had been exercised. No diluted loss per share is presented for the period ended 30 September 2004 as the outstanding share options are anti-dilutive.

REVIEW AND PROSPECTS

The Group recorded a profit attributable to shareholders of US$11.5 million (2004: loss of 14.3 million) for the six-month period ended 30 September 2005, representing earnings per share of 0.96 US cent (2004: loss per share 1.20 US cents). The profit was mainly attributable to the Group's share of profit after tax of US$13.5 million (after adjustment in accordance with the Group's accounting policy) from its associate, Bridge Investment Holding Limited ("**BIH**"). BIH recorded a profit attributable to shareholders of US$33.6 million for the six-month period ended 30 September 2005. Another associate of the Group, Regent Markets Holdings Limited, has contributed a share of loss of US$317,000 to the Group for the six-month period ended 30 September 2005.

The revenue of the corporate investment business division increased significantly to US$2.5 million (2004: US$0.2 million), while the revenue of the asset management business division was reduced to US$0.3 million (2004: US$0.4 million), which was primarily due to the further reduction in assets under management.

The shareholders' equity decreased slightly by 10.3% to US$46.1 million from US$51.4 million as at 31 March 2005 and BIH accounts for approximately 82.9% of the Group's total shareholders' equity as at 30 September 2005. The remaining Group assets comprise: (i) cash of US$1.27 million and (ii) other corporate investments of US$6.61 million.

Set out below is a brief summary of the main elements of the profit attributable to shareholders as follows:

	US$ million
Share of profit connected with BIH	13.5
Corporate investments	0.4
Asset management	(1.9)
Other operating income	(0.5)
Total profit attributable to shareholders	11.5

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

	US$ million
Stake in BIH	38.2
Other net assets	7.9
Total net assets	46.1

On 17 October 2005, the Company received a dividend of US$37.7 million from BIH. On 18 November 2005, the Company's shareholders approved the payment of a special interim dividend of 22 HK cents per share. On the basis of the Company's then existing issued share capital, payment of the special interim dividend amounted to approximately US$33.8 million. Accordingly, the Directors have approved a distribution representing 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 16 December 2005.

During the period and up to the date of this report, 326,000 new ordinary shares were issued pursuant to the exercise of share options (2004: 3.18 million shares). No share options were granted during the period concerned.

Joint Venture with Simao Shanshui Minerals Ltd and Yuxi Resources Corporation

As previously announced, the Group will acquire a 40% stake in the Dapingzhang copper producing mine in Yunnan Province through a joint venture contract with Simao Shanshui Minerals Ltd ("**SSM**") and Yuxi Resources Corporation ("**YRC**"). The joint venture contract has been initialled by the parties and submitted for approval to the approving authorities in China.

Under the terms of the contract, the Group will invest in a Sino-foreign equity joint venture enterprise (the "**Joint Venture Company**") together with SSM, the current owner and operator of the mine, and YRC, an associate of Yunnan Copper Industry (Group) Co., Ltd, a state-owned enterprise.

Total capitalization of the Joint Venture Company will be RMB400 million (approximately US$50 million), which will be contributed by the joint venture partners pro rata to their share of the equity capital. YRC, which will hold 50%, SSM and the Group will invest cash of RMB200 million, RMB40 million and RMB160 million, respectively.

The Group commissioned Peter Cowdery, an independent mining engineer, to produce a preliminary economic evaluation report on the Dapingzhang mine project. In the report the expert has done a thorough analysis of the project using several operating scenarios and made a number of assumptions including, but not limited to, the future price of copper, the size of the mineralization, milling capacity, mineralization quality and the capital expenditure required to expand the mine in conjunction with an assessment of the relevant risks.

Dapingzhang is in Simao County, 340km southwest of Kunming, the capital of Yunnan Province. Based on historical geological and assay data, the potential resource of the mine site is estimated to be over 63 million tonnes with an average grade of 0.76% copper, or 7.6kg of copper per tonne with a possible strip ratio 5.3:1. However, this estimate does not meet international standards for resource/reserve calculations. The current head grades of the four mills are variable, but assay results indicate that they commonly contain over 1% copper per tonne. In addition, significant amounts of recoverable lead, zinc, gold and silver are also contained in the mineralization.

The mineralization is of two types: semi-massive to massive sulphide-type mineralization, grading on average 2% copper per tonne and containing credits of zinc, lead, gold and silver and stringer-type mineralization, grading on average 0.6% copper per tonne with a significant gold credit. SSM's four mills, all of which will be purchased by the Joint Venture Company, process both mineralization types. Copper recoveries are excellent, at 92-93% copper. In the short term, the plan is to optimize grades, mill feed and implement other operational improvements in order to maximize the net smelter return from the sale of the concentrate and thereby increase profitability.

Phase 1 of the infill drilling programme is underway to verify portions of the resource base and to determine by 31 January 2006 that there is at least 10 million tonnes of mineable copper reserves, compliant with international standards.

Kaiqiang Fan, formerly chief mining geologist of Sino Gold Ltd and a member of Australasian Institute of Mining & Metallurgy (AusIMM), is the chief geologist and head of exploration for the Company and has spent the last nine months on site evaluating the deposit, its geology and its potential resource. Mr. Fan is in charge of the infill drilling programme and is a qualified person for the purposes of Canadian National Instrument 43-101.

Realisation of Bridge Securities Co., Ltd

On 20 September 2005, Bridge Securities Co., Ltd ("**BSC**") completed a KRW 100 billion mandatory capital reduction, whereby the BIH group received approximately US$72.5 million and, thereafter, BIH disposed of its shares in BSC on 30 September 2005 for US$29.2 million. Accordingly, the BIH directors declared a dividend of US$2.0925 per share on 10 October 2005. The dividend was paid in cash to all BIH shareholders on 17 October 2005 and, accordingly, the Group has received US$37.7 million. The BIH group is now being placed into voluntary liquidation and it is expected that no further distributions will be made to its shareholders.

Fund Management

The Group had assets under management of US$26.6 million as at 30 September 2005 and consequently with the small size of assets under management the division continues to incur losses.

Technology Investments

Regent Markets Group Limited experienced a comparatively difficult year, with the setting up of a back office in Malaysia taking up significant management time during the first, half. Yearly turnover for 2005 is projected at approximately US$70 million, a 16% drop on 2004, and the group is expected to announce a loss for the year. However turnover and profitability have experienced a turnaround in the latter part of the year, notably as a result of a successful UK marketing campaign. With the current success in marketing, and a recent downsizing to reduce staff count and expenses, the group will enter 2006 in a strong position and expects the coming year to show significantly improved results.

Outlook

The Group will continue to be an investment holding company and as such is regularly evaluating and considering new investment areas although in the forseeable future, its investments will be focused in the minerals exploration, mining and processing industry in China.

Through the investment in the Joint Venture Company, the Group is seeking to take advantage of the strong and continuing growth in demand for commodities within China, such as non ferrous metals like copper.

This is the Group's first investment in the mining and metals sector in China which presents an excellent opportunity for the Group to acquire a significant interest in an established copper mining business in China. It is believed that this project will be the first foreign funded operational copper mining and processing joint venture in China.

Looking ahead, the Group will continue to pursue its opportunistic investment approach. Efforts will be made to acquire later stage projects with untapped potential in the non ferrous and precious metals industry in China with the aim of increasing its portfolio of investments in this sector over the next two years.

The Group is also seriously considering new investment opportunities, which may be funded by internal cash and/or shares with the aim of ensuring that any such investments will enhance the value of all shareholders' investment in the Company.

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

Revenue and Profits

The Group recorded a profit after tax and minority interest of US$11.5 million for the six-month period ended 30 September 2005.

The profit attributable to the Group was mainly contributed by share of profit after tax of US$13.5 million from its associate, BIH. BIH recorded a profit attributable to shareholders of US$33.6 million for the six-month period ended 30 September 2005. Another associate of the Group, Regent Markets Holdings Limited, has contributed a share of loss of US$317,000 to the Group for the six-month period ended 30 September 2005.

The revenue of the corporate investment business division has increased significantly to US$2.5 million (2004: US$0.2 million) while the revenue of the asset management business division was further reduced to US$0.2 million (2004: US$0.4 million), which was primarily due to the further reduction in assets under management.

Balance Sheet

The shareholders' equity slightly decreased by 10.3% to US$46.1 million from US$51.4 million as at 31 March 2005 and BIH accounts for approximately 82.9% of the Group's total shareholders' equity as at 30 September 2005. The remaining Group assets comprise: (i) cash of US$1.27 million and (ii) other corporate investments of US$6.61 million.

Dividend

On 17 October 2005, the Company received a dividend of US$37.7 million from BIH. On 18 November 2005, the Company's shareholders approved the payment of a special interim dividend of 22 HK cents (2.837 US cents) per share. On the basis of the Company's then existing issued share capital, payment of the special interim dividend amounted to approximately US$33.68 million or approximately 90% of the proceed received from BIH, which is in line with the Directors' stated intention concerning distribution received from BIH. The dividend was paid on 16 December 2005.

Future Funding

As at 30 September 2005, the Group had US$1.27 million net cash or 2.8% of its total shareholders' equity, which does not take account of the Group's holding of listed securities that amounts to US$1.56 million.

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 associated investments due to their non-cash nature and the high cost such hedging would involve.

As BIH was responsible for approximately 82.9% of the total shareholders' equity as at 30 September 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.

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 30 September 2005, the amount of these margin deposits was US$215,000 (2004: US$73,000).

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 period ended 30 September 2005.

No other material changes were noted during the six-month period ended 30 September 2005 from the information disclosed in the published annual report for the year ended 31 March 2005.

INTERIM DIVIDEND

The Directors of the Company recommended on 27 October 2005 a special interim dividend of 22 Hong Kong cents for the six months ended 30 September 2005 (2004: Nil) out of the Company's share premium, with an option to receive the dividend by way of new shares in the Company, credited as fully paid, in respect of part or all of such dividend. The dividend was declared with shareholders' approval on 18 November 2005 and paid on 16 December 2005.

The Directors have resolved not to declare a further interim dividend in respect of the six months ended 30 September 2005 (2004: 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 to put the Company in compliance of all code provisions in the Code on CG Practices, save that, as disclosed in the Company's annual report for the year ended 31 March 2005, Article 87(1) of the Company's Articles of Association provided that notwithstanding any other provisions therein, the chairman of the board and/or the managing director of the Company should not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Such deviation was rectified by the special resolution passed at the Company's annual general meeting held on 14 September 2005, pursuant to which an amendment was made to the Articles of Association so that every Director, including the chairman of the board and the managing director, should be subject to retirement by rotation, in compliance of Code Provision A.4.2.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (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. The committee 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 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.

Terms of reference of the Audit Committee are available on request.

The interim financial statements of the Company for the six months ended 30 September 2005 have been reviewed by the Audit Committee.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

No shares in the Company were purchased or sold by the Company or any of its subsidiaries during the six months ended 30 September 2005, whether on the HK Stock Exchange or otherwise. The Company has not redeemed any of its securities during the period.

PUBLICATION ON WEBSITES

This announcement is published on the websites of the Company (www.regentpac.com) and the HK Stock Exchange (www.hkex.com.hk).

DESPATCH OF INTERIM REPORT

The interim report containing full details of the Company's unaudited interim results for the six months ended 30 September 2005 will be despatched to all its shareholders and be published on the aforesaid websites before 31 December 2005.

On behalf of the Board of
Regent Pacific Group Limited
James Mellon
Chairman

Directors of the Company:
James Mellon *(Chairman)**
Jamie Gibson *(Chief Executive Officer)*
Clara Cheung
David Comba#
Julie Oates#
Patrick Reid#
Mark Searle#
Jayne Sutcliffe*
Anderson Whamond*

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

Hong Kong, 19 December 2005

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