Chairman's Statement

I am pleased to announce that for the full year to 31 March 2002 the Group returned to profitability. The Group recorded a profit attributable to shareholders of US$3.6 million (2001: loss of US$98.3 million) in the year ended 31 March 2002, representing earnings per share of 0.3 US cents (2001: loss of 8.5 US cents per share). The change in the results is mainly due to the improvement in the results of the Group's Korean associate, KoreaOnline Limited ("**KOL**"), which contributed US$15.7 million profit during the year (2001: loss of US$40.2 million, inclusive of goodwill impairment of US$32.9 million). The value of shareholders' equity increased slightly by 3.5% to US$87 million (2001: US$84.1 million) over the previous year on an unchanged number of shares outstanding. Net assets per share were 7.3 US cents (2001: 7.1 US cents), an increase of 3% over the previous year. As at 31 March 2002, the Group had US$5.1 million net cash or 6% of its total shareholders' funds.

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

	US$m
Share of profits connected with KOL	15.7
Share of losses connected with technology related investments	(7.2)
Other operating losses	(4.9)
Total profit attributable to shareholders	3.6

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

	US$m
Stake in KOL	78.2
Value of technology related assets	4.1
Other net assets	4.7
Total net assets	87.0

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

It should be noted that the Directors have made what they believe to be fair provisions in relation to the technology related assets due to the difficulties encountered within the sector.

The Directors of the Company have decided not to declare a dividend for the year.

Chairman's Statement (continued)

The year prior to the one which has just ended was very difficult, encompassing the effective stockmarket demise of the internet sector and the various problems which engulfed KOL, our Korean affiliate. The Group has made a determined effort to reduce costs and to improve the performance of its operations in its core areas of business.

The Directors propose to change the name of the Company back to "Regent Pacific Group Limited", subject to approval of the Company's shareholders and the Registrar of Companies of the Cayman Islands. The proposed change of name reaffirms the Company's commitment to value focussed asset management both of our own and of client assets. Private equity investment, including that done for our own account, has done well and has vindicated our decisions to concentrate on Korea and Indonesia within our traditional markets in Asia.

Jamie Gibson and myself have informed the Board that on 16 May 2002 we amicably concluded without reaching any result the discussions with KGI International Holdings Limited regarding its proposed offer for all the outstanding securities of the Company, due primarily to the proposed price offered and conditions of the deal.

Latterly, however, the return of our largest investment, KOL, has improved. This has been largely due to the repurchase of shares by Ileun Securities Co Ltd into treasury and the merger of Regent Securities Co Ltd and Ileun Securities Co Ltd to form Bridge Securities Co Ltd. KOL's net asset value has therefore increased and has further been helped by the appreciation of the Korean Won against the US dollar during the year.

Over the year there has been an increasing divergence of opinion between KOL management and the Board of the Company on issues relating to the manner of operation of KOL. In this respect, iRegent and The State of Wisconsin Investment Board ("**SWIB**") have resolved to rectify this divergence of opinion by entering into a new shareholders' agreement regarding the shareholdings of iRegent and SWIB in KOL (the "**KOL Shareholders' Agreement**"). iRegent and SWIB own approximately 40% and 27% of the issued share capital of KOL respectively and are in the process of seeking to change the management team at KOL. On 11 July 2002, iRegent and SWIB jointly deposited with the board of directors of KOL a notice requisitioning an extraordinary general meeting ("**EGM**") for the purpose of the dismissal of all of the current directors of the board of KOL and the appointment of new directors to the board of KOL. iRegent, SWIB and certain other minority shareholders, which together own approximately 83% of the issued share capital of KOL, have expressed their commitment to vote, and therefore are expected to vote, in favour of the resolutions contained in the requisition notice. In response to the requisition notice, the board of directors of KOL has issued a notice of an EGM to be held on 10 January 2003 to consider and, if thought fit, pass the ordinary resolutions outlined in the requisition notice. Accordingly, iRegent and SWIB commenced legal action in the Cayman Islands on 2 August 2002 seeking an order that KOL does convene an EGM as requisitioned by iRegent and SWIB within 7 days of the court order or such other period as the court thinks fit or that, unless KOL convenes the EGM as requisitioned by iRegent and SWIB within 7 days of the court order or such other period as may be ordered by the court, iRegent and SWIB be at liberty to convene the EGM. It is expected that the application seeking the relief sought by iRegent and SWIB will be heard by the court on 16 and 17 October 2002.

Chairman's Statement (continued)

The Company and SWIB have, amongst other things, agreed in the KOL Shareholders' Agreement to explore ways in which to realise their investments in KOL in the most effective and profitable manner. If a sale on terms satisfactory to the Board is agreed, the disposal of the Company's shares in KOL would be a major transaction and would be conditional on approval by the Company's shareholders. Shareholders, including certain Directors of the Company, who together hold approximately 36% of the Company's issued ordinary shares, have indicated to the Board that they would intend to vote in favour of a sale if the terms are satisfactory to the Board. The Board intends that the benefit of any such sale, including the distribution of proceeds, will be made available to all shareholders of the Company equally although it is not yet possible to say what form such a distribution would take.

Assuming the realisation of the investment in KOL and distribution of the proceeds is approved by the Company's shareholders, it is the intention of the Board that it will retain up to 10% of the benefit of a sale to provide resources to rebuild its asset management business to the scale it reached at the time of listing in May 1997. It is also the intention of the Board that the Company will focus on value-based investment, an area in which we believe that we have considerable experience and have previously enjoyed great success.

I thank my fellow Directors and colleagues for all their hard work in the past year. Jamie Gibson, who is responsible at the iRegent level for selling KOL, has assumed the role of Chief Executive Officer and is charged with the day-to-day operations of the Company.

A report on each of the main business areas of the Group (apart from KOL which is described above) follow, authored by those who are responsible for them in the management structure.

James Mellon

Hong Kong, 2 October 2002

Chairman's Statement (continued)

Interman Holdings Limited

Interman Holdings Limited ("**Interman**") is a technology investment company operating on a venture capital basis. Interman had a portfolio of 26 investments at the last annual report. The funding environment for small technology companies continues to be severely restricted. Interman made no new investments during the year. Against a backdrop of a severe bear market in small unlisted technology companies the Directors of iRegent have decided to make a further provision of US$3 million against the portfolio. 20 have been provided for completely but are still trading and 6 remain. The key companies are:

Digitalbrain plc, a leading UK e-learning company, which builds virtual learning environments and creates online content, raised GBP2.7 million during the year from Bank of Scotland Private Equity. Sales for 2001 were GBP9.4 million.

Digital View Group Limited ("Digital View"), a flat panel display technology company, had a difficult year in 2001 on sales of GBP10.2 million. William Mitchell took over as Chief Executive Officer in February 2002. Digital View has moved into the network market for flat panel screens and has recently completed the installation of 500 flat panels at point of sale for Camelot, the operator of the UK National Lottery. This is a great validation of their technology and products.

bigsave Holdings plc ("bigsave") operated as retailer via the internet and retail shops and as a re-seller of computers during the financial year concerned. bigsave continued to incur losses whilst operating in a difficult environment. The Directors of iRegent have decided to write off the Group's investment in bigsave and it will require the continued financial support of Burnbrae Limited, a private company wholly-owned by a trust, of which James Mellon is the sole beneficiary, to operate as a going concern,

Mark Child and Kazem Behjat

Chairman's Statement (continued)

iRegent Group Limited

Fund management and business development

In the interim statement, we opined that the bear market in western equities would not end until the "bubble" characteristics (essentially overindebtedness and undersaving) were unwound. We see the basic imbalances still, added to which the build-up of US military spending will put a floor on interest rates and cap equity valuations. The only difference is that major US indices are retesting their September 2001 lows. However, they are still, if anything, expensive. Bear markets usually end with capitulation and markets below fair value – such as Asia in 1998 – and we see no sign yet of that. But we are getting there.

For our business, managing client monies in Asia, this has two implications. The first, the income effect, is that investors have lost money and equities worldwide seem no longer as attractive as before. The second, the substitution effect, is that people start looking for ideas outside those that have fared them so well in the past and so badly recently. An obvious potential beneficiary of the latter effect is Asia. The region is now back on the radar screens of some investors who, having exited these markets in 1993/4, have ignored them ever since.

The core to our approach in managing money in Asian listed equities remains a long/short strategy with a long bias. Our flagship fund, Undervalued Assets Fund – Asia, has benefited from its ability to hedge and is succeeding in its aims to outperform the Asian market, to make a positive absolute return, and to do this with a low volatility. We are starting to see some inflows into our regional products for the first time for a while. The private equity funds have benefited from a return to favour of Indonesian assets and some revised management procedures.

Looking ahead, we are confident that the tide has turned and that the markets of Asia, which has in many cases restructured following the 1997 Asian financial crisis, are set for a period of outperformance. Given the performance of our core products, we are relatively optimistic that this can be translated into a growing business and better returns for shareholders.

Julian Mayo

Corporate finance services

Regent Corporate Finance ("**RCF**") offers corporate finance advice to technology companies held by Interman Holdings Limited and the private equity funds managed by iRegent Group, if appropriate. RCF also offers corporate finance services to companies outside the Group. In the fiscal year RCF completed fund raisings for 5 companies and earned placement fees in excess of US$500,000 and warrants in the respective companies.

During the period, RCF successfully negotiated a down round and raised US$1.6 million for Digital View Group Limited and raised GBP2.7 million for Digitalbrain plc from the Bank of Scotland. RCF acted as adviser and raised GBP3 million for Betinternet.com plc, an AIM listed online gaming company.

Mark Child