

Report of the Directors

The Directors of the Company submit herewith their report and the audited financial statements of the Company and the Group for the year ended 31 March 2002 (the “**Financial Statements**”).

Principal Activities

The Company’s principal activity was investment holding, and the Group’s principal activities consisted of asset management; provision of investment advisory services, corporate finance and advisory services; corporate investment; and internet retailing.

Principal activities of the respective subsidiaries of the Company during the year are set out in note 16 to the Financial Statements.

Results and Dividends

The Group’s profit for the year ended 31 March 2002 and the state of affairs of the Company and the Group as at that date are set out in the Financial Statements on pages 24 to 71.

No interim dividend was paid during the year (2001: Nil).

The Directors do not recommend the payment of a final dividend for the year (2001: Nil).

Summary Financial Information

The results and the assets and liabilities of the Group for the current and the last four financial years (extracted from the audited financial statements and reclassified as appropriate) are set out below in summary:

Results:

	For the year ended 31 March				
	2002 US\$'000	2001 US\$'000	2000 US\$'000	1999 US\$'000	1998 US\$'000
Turnover	2,808	(744)	54,658	(32,197)	126,843
Turnover less expenses	(13,544)	(22,619)	14,725	(54,700)	78,527
Share of profits/(losses) of associates	16,143	(53,440)	32,178	4,251	(398)
Operating profit/(loss) on core activities	2,599	(76,059)	46,903	(50,449)	78,129
(Losses)/Profits on non-core activities	(8)	(22,193)	51,940	1,174	(239)
Operating profit/(loss) from ordinary activities	2,591	(98,252)	98,843	(49,275)	77,890
Finance costs – interest on bank overdraft	(145)	(358)	(462)	(688)	(454)
Profit/(Loss) on ordinary activities					
before taxation	2,446	(98,610)	98,381	(49,963)	77,436
Taxation	(923)	(2,840)	(12,283)	(1,090)	(1,679)
Profit/(Loss) after taxation	1,523	(101,450)	86,098	(51,053)	75,757
Minority interests	2,030	3,119	(534)	764	(2,037)
Net profit/(loss) attributable to shareholders	3,553	(98,331)	85,564	(50,289)	73,720

Report of the Directors (continued)

Summary Financial Information (continued)

Assets and liabilities:

	As at 31 March				
	2002 US\$'000	2001 US\$'000	2000 US\$'000	1999 US\$'000	1998 US\$'000
Fixed assets	573	971	790	1,449	2,584
Intangible assets	–	628	–	–	–
Interests in associates and jointly controlled entities	78,960	64,332	92,606	47,515	24,403
Other non-current financial assets	7,422	10,276	16,237	5,054	1,986
Current assets	8,398	21,780	71,359	71,025	212,753
Total assets	95,353	97,987	180,992	125,043	241,726
Current liabilities	8,299	9,826	62,491	17,611	91,241
Non-current liabilities	–	2,500	143	407	133
Total liabilities	8,299	12,326	62,634	18,018	91,374
Net assets	87,054	85,661	118,358	107,025	150,352

Reserves

Details of movements in the reserves together with details of their availability for distribution, as calculated in accordance with the Companies Law of the Cayman Islands, are set out in note 28 to the Financial Statements.

Subsidiaries and Associates

Particulars of the Company's subsidiaries and associates are set out in notes 16 and 17 respectively to the Financial Statements.

Fixed Assets

Details of movements in the fixed assets of the Group during the year are set out in note 14 to the Financial Statements.

Share Capital and Share Options

Details of the Company's share capital and share options are set out in note 27 to the Financial Statements.

Purchase, Sale or Redemption of Securities

No shares or registered warrants of the Company were repurchased by the Company or any of its subsidiaries during the year, whether on The Stock Exchange of Hong Kong Limited or otherwise.

Report of the Directors (continued)

Directors

The Directors of the Company who held office during the year and up to the date of this report were:

James Mellon (Chairman)	(resumed as Chief Executive Officer on 1 March 2001 and as Chairman on 22 April 2001, and resigned as Chief Executive Officer on 16 May 2002)
Jamie Alexander Gibson (Chief Executive Officer)	(appointed as Director on 7 January 2002 and as Chief Executive Officer on 16 May 2002)
Anthony Robert Baillieu**	(appointed on 22 April 2001)
Mark Lucian Child	(appointed on 7 January 2002)
Julian Peter Mayo (alternate to James Mellon)	
David McMahon*	
Karin Schulte	(appointed on 1 September 2001)
Stawell Mark Searle**	(appointed on 31 October 2001)
Jayne Allison Sutcliffe*	
Alexander Anderson Whamond*	
Dominic Peter Bokor-Ingram	(appointed on 1 September 2001 and resigned on 11 March 2002)
Chan Hung Kwan, Daniel	(resigned on 3 January 2002)
Peter Devas Everington	(ceased to be Director on 7 January 2002)
David Francis Joseph Paterson**	(resigned as Director and Chairman on 22 April 2001)
Errol Stanley Williams**	(resigned on 31 October 2001)

* *non-executive Directors*

independent Directors

In accordance with Article 86(3) of the Company's Articles of Association, Directors appointed since the last annual general meeting of the Company shall retire from office at the forthcoming annual general meeting but shall then be eligible for election. Directors who so retire shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Accordingly, Mark Searle, Jamie Gibson and Mark Child will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 87 of the Company's Articles of Association, Anderson Whamond will retire by rotation and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Report of the Directors (continued)

Directors (continued)

Biographical details of the Directors who hold office as at the date of this report are as follows:

James Mellon, aged 45, British, has been an executive Director of the Company since July 1991 and the Chairman of iRegent Group since 1994, except for the period from December 2000 to April 2001. He holds a Master's degree in Politics, Philosophy and Economics from Oxford University and, since graduating in 1978, his whole career has been spent in asset management. Mr Mellon worked for GT Management Plc from 1978 to 1984. In July 1984, he joined the Thornton Group where he was Managing Director of the Asian operation. From 1988 to 1990, he was an executive director of Tyndall Holdings Plc responsible for business expansion and corporate development. In 1990, Mr Mellon co-founded and became Chief Executive of iRegent Group Limited (formerly known as Regent Pacific Group Limited and iRegent.com Limited). In 1994, he became Chairman of iRegent Group. Mr Mellon has over 20 years' investment experience in Asia. He specialises in the development and restructuring of international investment vehicles, and travels extensively across the region on company visits and fact-finding missions. He is also director of a number of subsidiaries of iRegent Group and funds managed by the Group, including private equity and Dublin-listed funds. Since the completion of a restructuring scheme of iRegent Group and the Group's divestment in Charlemagne Capital Limited (formerly known as Regent Europe Limited) in June 2000 (the "**Restructuring Scheme**"), Mr Mellon has been non-executive Chairman of Charlemagne Capital Limited.

Jamie Alexander Gibson, aged 36, British, joined iRegent Group in April 1996 and was appointed an executive Director and Chief Operating Officer of the Company in January 2002. On 16 May 2002, he became Chief Executive Officer of iRegent Group Limited. Mr Gibson has spent most of his professional career with the Company specialising in corporate finance, direct equity investments and structuring emerging market investment products. Prior to joining the Company, he worked at Clifford Chance, Coopers & Lybrand and KPMG. Mr Gibson has a law degree from Edinburgh University. He is also director of a number of subsidiaries of iRegent Group and a private equity fund managed by the Group.

Anthony Robert Baillieu, aged 46, Australian and British, was appointed an independent non-executive Director of the Company in April 2001. He had a long career in insurance, stockbroking and asset management, with experience in the United Kingdom, Europe, Australia, the Middle East and Hong Kong. Having trained at Sedgwick Forbes in London, Mr Baillieu moved to Australia to form Fenchurch Insurance Brokers, which was eventually bought by Marsh & McLennan. He then joined Roach Tilley Grice, stockbrokers in Melbourne, becoming a partner responsible for establishing their offices in London, Singapore and Bahrain. Mr Baillieu was a founding director of Lowell Asset Management, a private Australian asset management and investment banking group. He also holds directorships and consultancies that span the fields of insurance and asset management. In 1992, Mr Baillieu established Anthony Baillieu and Associates (Hong Kong) Limited, an executive search firm specialising in financial services. He is a shareholder of Techpursuit.com Holdings Limited. Mr Baillieu is also director of certain subsidiaries of iRegent Group and funds managed by the Group, including private equity and Dublin-listed funds.

Mark Lucian Child, aged 40, British, was appointed an executive Director of the Company in January 2002. He completed a short service commission in the British Army, serving with the Gurkhas for 3 years in Asia, before pursuing a career in finance. Mr Child joined Asian specialist stockbroker, W I Carr in Hong Kong, in 1984, before moving to Hoare Govett in London. He was the Managing Director of Sun Hung Kai Securities Limited in London for 4 years. He joined iRegent Group in April 2000 as Head of Corporate Finance and maintains this position. He has 18 years' experience of equity capital markets in Asia and the United Kingdom. Mr Child is also director of certain subsidiaries of iRegent Group.

Report of the Directors (continued)

Directors (continued)

Julian Peter Mayo, aged 41, British, was appointed as the alternate to James Mellon in March 2001. He graduated from Bristol University with a Bachelor of Science in Economics and was a trainee portfolio manager with Schroders Asia in 1983 before joining Thornton Management (Asia) in 1985. After four years in Hong Kong, he moved to Japan where he ran Thornton's Tokyo operation. He moved to London over three years later to head European marketing division of Thornton Investment Management, where he was appointed a director in 1993. Mr Mayo joined iRegent Group in May 1996 as director of Regent Pacific Corporate Finance Limited. He was responsible for opening iRegent's Tokyo office in 1997. In 1999 Mr Mayo returned to Hong Kong as Managing Director of iRegent Group's Hong Kong operation, responsible for iRegent's investment management business. He is also director of a number of subsidiaries of iRegent Group.

David McMahon, aged 48, British, joined iRegent Group in February 1998. He was appointed the Group Finance Director and the Managing Director of iRegent Group's Isle of Man office in January 1999. Upon completion of the Restructuring Scheme, Mr McMahon became a non-executive Director of iRegent Group Limited. Since then, he has been the Finance Director of Charlemagne Capital Limited. Mr McMahon is a fellow of the Institute of Chartered Accountants in England and Wales. After qualifying as a Chartered Accountant in 1977, he joined a Manchester based mutual insurance Company, eventually becoming Treasurer and Finance Director before becoming General Manager of Templeton Life Assurance Limited in 1990. He also became Chief Financial Officer of Templeton's European businesses.

Karin Schulte, aged 33, British, was appointed an executive Director of the Company in September 2001. She has worked since 1991 in the Asia Pacific region. After graduating from the University of Kent, Canterbury, United Kingdom in 1991, Ms Schulte lived and worked in Japan for one year. She then spent five years based in Hong Kong working in the logistics industry firstly with a German company, Birkart Globisitics, and then with the Japanese company Nippon Yusen Kaisha. She returned to Hong Kong in January 2000 to join iRegent Group after three years based in Sydney, Australia where she obtained a Master's degree in Business Administration at the Australian Graduate School of Management. During her time in Sydney, Ms Schulte worked for Macquarie Bank, an Australian investment bank, in the capacity of Manager, Corporate Communications. She is also director of certain subsidiaries of iRegent Group.

Stawell Mark Searle, aged 59, British, was appointed an independent non-executive Director of the Company in October 2001. He has over 30 years' experience in the investment management industry. Having trained with Jardine Matheson, the Far Eastern trading house in London, he was seconded to Samuel Montagu where he worked for two years in their Investment Department. Subsequently, Mr Searle joined Investment Intelligence Limited becoming Investment Director responsible for management of a stable of open ended funds. Between 1982 and 1987, he was Managing Director of Richards Longstaff Limited, a privately owned investment consultancy. In the following ten years, he was Investment Director of Gerrard Asset Management. Currently, Mr Searle is a consultant of Hiscox Investment Management Limited, the investment division of Hiscox Plc, and a director of Invesco Perpetual European Investment Trust and The New Korea Growth Fund, a Dublin-listed fund managed by iRegent Group.

Report of the Directors (continued)

Directors (continued)

Jayne Allison Sutcliffe, aged 39, British, was appointed the Group Corporate Finance Director in August 1991. Upon completion of the Restructuring Scheme, Mrs Sutcliffe became a non-executive Director of iRegent Group Limited. Since then, she has been the Chief Executive of Charlemagne Capital Limited. Mrs Sutcliffe has spent most of her professional career in the fund management industry specialising in sales and marketing initially at Thornton Management and then at Tyndall Holdings Plc. Mrs Sutcliffe co-founded iRegent Group in 1990 where she established, and was responsible for, iRegent's corporate finance activities. She has a Master's degree in Theology from Oxford University.

Alexander Anderson Whamond, aged 42, British, was appointed an executive Director in January 1999. Upon completion of the Restructuring Scheme, Mr Whamond became a non-executive Director of the Company. He commenced his career in 1982 with White Weld Securities Limited. Subsequently, he worked at both Salomon Brothers and Morgan Stanley International in London. Prior to joining iRegent Group in March 1998 as the head of the Group's head of Corporate Investments, Mr Whamond was a Managing Director of Peregrine Securities International Limited and a member of the executive committee of Peregrine Investment Holdings Limited. He is also director of certain subsidiaries of iRegent Group and funds managed by the Group, including private equity and Dublin-listed funds.

Directors' Interests in Securities and Options

As at 31 March 2002, the beneficial interests of the Directors in the securities of the Company or of any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "**SDI Ordinance**") or in any rights to subscribe for the equity securities of the Company or of any of its associated corporations, which have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") pursuant to Section 28 of the SDI Ordinance and The Rules Governing the Listing of Securities on the HK Stock Exchange (the "**HK Listing Rules**") (including interests which they are deemed or taken to have under Section 31 or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein were as follows:

1. Securities of the Company

- a. Ordinary shares of US\$0.01 each

Name of Director	Note	Number of shares and nature of interests				Total interests
		Personal interests	Family interests	Corporate interests	Other interests	
James Mellon	A&B	37,088,500	–	–	219,467,083	256,555,583
Anthony Baillieu	C	–	–	200,000	–	200,000
Mark Child		–	–	–	–	–
Jamie Gibson		4,549,843	–	–	–	4,549,843
Julian Mayo <i>(alternate to James Mellon)</i>		229,686	–	–	–	229,686
David McMahan	D	–	–	–	5,000,000	5,000,000
Karin Schulte		12,000	–	–	–	12,000
Mark Searle	E	–	–	–	50,000	50,000
Jayne Sutcliffe	F	14,727,260	–	–	24,000,000	38,727,260
Anderson Whamond		5,000,000	–	–	–	5,000,000

Report of the Directors (continued)

Directors' Interests in Securities and Options (continued)

1. Securities of the Company (continued)

b. Warrants 2003 (note G)

Name of Director	Note	Number of warrants and nature of interests				Total interests
		Personal interests	Family interests	Corporate interests	Other interests	
James Mellon	A&B	6,817,700	–	–	61,239,046	68,056,746
Anthony Baillieu	C	–	–	40,000	–	40,000
Mark Child		–	–	–	–	–
Jamie Gibson		1,467,968	–	–	–	1,467,968
Julian Mayo <i>(alternate to James Mellon)</i>		1,047,909	–	–	–	1,047,909
David McMahon		1,000,000	–	–	–	1,000,000
Karin Schulte		2,400	–	–	–	2,400
Mark Searle	E	–	–	–	10,000	10,000
Jayne Sutcliffe	F	2,945,452	–	–	4,800,000	7,745,452
Anderson Whamond		1,000,000	–	–	–	1,000,000

2. Securities of associated corporations (note H)

Name of Director	Note	Number of shares in the respective associated corporations		
		AstroEast.com Limited	bigsave Holdings plc	Techpursuit.com Holdings Limited
James Mellon		–	–	–
Anthony Baillieu	C	95,560	100,000	400,000
Mark Child		–	–	–
Jamie Gibson		225,000	131,579	–
Julian Mayo <i>(alternate to James Mellon)</i>		75,000	200,050	–
David McMahon		–	174,000	–
Karin Schulte		–	–	–
Mark Searle		–	–	–
Jayne Sutcliffe	F	150,000	350,000	–
Anderson Whamond		150,000	350,000	–

Report of the Directors (continued)

Directors' Interests in Securities and Options (continued)

3. Options of the Company

Please refer to note 27 to the Financial Statements as to details of the employee share option scheme of the Company (referred to as the "iRegent Share Option Scheme" therein).

As at 31 March 2002, the following Directors of the Company had personal interests in options granted under the iRegent Share Option Scheme (including those options granted to them during the year), entitling them to subscribe for shares of US\$0.01 each in the capital of the Company in accordance with, and subject to, the terms of the scheme:

Name of Director	Date of offer	Date of grant	Number of shares subject to the option	Subscription price per share	Exercise period	Consideration for grant of option
Mark Child	26 September 2000	20 October 2000	3,000,000	HK\$1.060	20 October 2001 – 19 October 2005	HK\$10.00
	2 April 2001	26 April 2001	300,000	HK\$0.160	26 April 2002 – 25 April 2006	HK\$10.00
	25 April 2001	2 May 2001	700,000	HK\$0.160	2 May 2002 – 1 May 2006	HK\$10.00
Jamie Gibson	2 April 2001	7 April 2001	1,000,000	HK\$0.160	7 April 2002 – 6 April 2006	HK\$10.00
	25 April 2001	27 April 2001	1,500,000	HK\$0.160	27 April 2002 – 26 April 2006	HK\$10.00
Julian Mayo	2 April 2001	10 April 2001	750,000	HK\$0.160	10 April 2002 – 9 April 2006	HK\$10.00
	25 April 2001	27 April 2001	500,000	HK\$0.160	27 April 2002 – 26 April 2006	HK\$10.00
Karin Schulte	26 September 2000	18 October 2000	2,000,000	HK\$1.060	18 October 2001 – 17 October 2005	HK\$10.00
	2 April 2001	23 April 2001	1,750,000	HK\$0.160	23 April 2002 – 22 April 2006	HK\$10.00

Report of the Directors (continued)

Directors' Interests in Securities and Options (continued)

3. Options of the Company (continued)

During the year, no Directors of the Company exercised any of their rights under the respective options granted to them pursuant to the iRegent Share Option Scheme and subscribed for shares in the Company. No options were cancelled. However, options granted to the following Directors, during the year or otherwise, lapsed upon resignation or expiry of the option period:

Name of Director	Date of offer	Date of grant	Number of shares subject to the option	Subscription price per share	Exercise period	Consideration for grant of option
Dominic Bokor-Ingram	26 September 2000	20 October 2000	500,000	HK\$1.060	20 October 2001 – 19 October 2005	HK\$10.00
	2 April 2001	12 April 2001	1,750,000	HK\$0.160	12 April 2002 – 11 April 2006	HK\$10.00
Daniel Chan	26 September 2000	12 October 2000	300,000	HK\$1.060	12 October 2001 – 11 October 2005	HK\$10.00
	2 April 2001	7 April 2001	2,500,000	HK\$0.160	7 April 2002 – 6 April 2006	HK\$10.00
Julian Mayo	23 January 1996	12 April 1996	2,636,984 (note I)	HK\$1.000	12 April 1999 – 12 April 2001	HK\$10.00
David Paterson	19 May 2000	23 May 2000	1,000,000	HK\$1.600	23 May 2003 – 22 May 2005	HK\$10.00
	11 December 2000	13 December 2000	1,320,000	HK\$0.600	13 December 2001 – 12 December 2005	HK\$10.00

Among the options in respect of an aggregate of 10,750,000 shares granted to the Directors of the Company during the year, options in respect of 8,050,000 shares were offered on 2 April 2001 and options in respect of 2,700,000 shares were offered on 25 April 2001. The options were granted upon acceptance by the respective Directors, which dates were various from one option to another. However, the exercise prices of the options were determined on the dates when the offer was made. The closing prices of the shares of the Company quoted on the HK Stock Exchange on 30 March 2001 and 24 April 2001, being the business dates immediately preceding the dates when the options granted to the Directors during the year were offered, were HK\$0.180 and HK\$0.185 respectively.

Report of the Directors (continued)

Directors' Interests in Securities and Options (continued)

4. Options of KoreaOnline Limited

As at 31 March 2002, the following Director of the Company had a personal interest in an option granted under the employee share option scheme of KoreaOnline Limited (the "KOL Share Option Scheme"), entitling him to subscribe for shares of US\$0.10 each in the capital of KoreaOnline Limited in accordance with, and subject to, the terms of the scheme:

Name of Director	Date of offer	Date of grant	Number of shares subject to the option	Subscription price per share	Exercise period	Consideration for grant of option
Julian Mayo	10 May 2000	18 May 2000	156,000	US\$13.000	18 May 2001 – 17 May 2005	HK\$10.00

During the year, no Directors of the Company exercised any of their rights under the respective options granted to them pursuant to the KOL Share Option Scheme and subscribed for shares in KoreaOnline Limited.

Notes

- A. 84,846,870 shares in the Company and 16,969,374 units of Warrants 2003 under "other interests" are held by the trustee of a settlement, of which James Mellon is the sole beneficiary.
- B. 134,620,213 shares in the Company and 44,269,672 units of Warrants 2003 under "other interests" are held by Indigo Securities Limited, which is indirectly wholly-owned by the trustee referred to in note A above. Indigo Securities Limited also holds 86,728,147 non-voting convertible deferred shares in the Company. Details of the rights of the deferred shares in the issued share capital of the Company are set out in note 27 to the Financial Statements.
- C. The 200,000 shares in the Company and 40,000 units of Warrants 2003 under "corporate interests" are held by a nominee company owned by the family of Anthony Baillieu, through which shares and cash are held to individual family members' accounts. Such securities are held in Anthony Baillieu's individual account.

The 95,560 shares in AstroEast.com Limited, 100,000 shares in bigsave Holdings plc and 400,000 shares in Techpursuit.com Holdings Limited (representing 40% of its total issued share capital) are held through Anthony Baillieu and Associates Limited, which is in turn 80% beneficially owned by Anthony Baillieu.
- D. The 5,000,000 shares in the Company under "other interests" are held by a pension fund, of which David McMahon is the sole beneficiary.
- E. The 50,000 shares in the Company and 10,000 units of Warrants 2003 under "other interests" are held to the order of a pension fund, of which Mark Searle is the sole beneficiary.

Report of the Directors (continued)

Directors' Interests in Securities and Options (continued)

Notes (continued)

- F. The 24,000,000 shares in the Company and 4,800,000 units of Warrants 2003 under "other interests" are held by the trustee of a discretionary trust, under which Jayne Sutcliffe and members of her family may become beneficiaries.

The 350,000 shares in bigsave Holdings plc are held by the trustee referred to above in this note.

- G. Details of the Warrants 2003 are set out in note 27 to the Financial Statements.

- H. AstroEast.com Limited and bigsave Holdings plc are indirect 51% and 64.3% owned subsidiaries of the Company respectively.

Techpursuit.com Holdings Limited is a joint venture established in the Cayman Islands with limited liability, of which the Company has an indirect 20% interest.

- I. This was the outstanding balance of shares that Julian Mayo was entitled to subscribe for under the option as at the expiry date on 12 April 2001.

Save as disclosed herein, as at 31 March 2002 none of the Directors (and their associates) had any interest in the equity securities of the Company or of any of its associated corporations (within the meaning of the SDI Ordinance) or in any rights to subscribe for the equity securities of the Company or of any of its associated corporations, which have to be notified to the Company and the HK Stock Exchange pursuant to Section 28 of the SDI Ordinance and the HK Listing Rules (including interests which they are deemed or taken to have under Section 31 or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein.

Directors' Service Contracts

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment (other than statutory compensation).

Report of the Directors (continued)

Directors' Interests in Contracts

Save for those disclosed in note 33 to the Financial Statements, no contracts of significance or connected transactions of the Company (under Chapter 14 of the HK Listing Rules), to which the Company or any of its subsidiaries was a party and in which a Director or Directors of the Company has/had a material interest, subsisted at 31 March 2002 or at any time during the year.

Directors' Interests in Competing Businesses

The Directors, except for the independent non-executive Directors who are not subject to the disclosure requirement under Rule 8.10 of the HK Listing Rules, have declared that they are not interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business.

Management Contracts

No contracts, other than contracts of service with any Director of the Company or any person engaged in the full-time employment of the Company, with the Company subsisted as at 31 March 2002 or any time during the year, whereby any individual, firm or body corporate undertook the management and administration of the whole or any substantial part of any business of the Company.

Substantial Shareholders

As at 31 March 2002, James Mellon, the Chairman of the Board of Directors of the Company, had interests in more than 10% of the total issued voting share capital of the Company as recorded in the Register of Substantial Shareholders' Interests kept by the Company pursuant to Section 16(1) of the SDI Ordinance. Details of James Mellon's interests are set out under the section headed "Directors' Interests in Securities and Options".

Save for such interests, the Directors are not aware of any person being interested in at least 10% of the total issued voting share capital of the Company as at 31 March 2002 as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance.

Borrowings

Details of bank borrowings of the Company and the Group are set out in note 25 to the Financial Statements.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Retirement Scheme

Details of the retirement scheme of the Group are set out in note 29 to the Financial Statements.

Major Customers and Suppliers

Particulars of the Group's major customers and suppliers are given in note 32 to the Financial Statements.

Report of the Directors (continued)

Code of Best Practice

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the HK Listing Rules throughout the accounting period covered by this annual report, except that the non-executive Directors of the Company are not appointed for specific terms.

Establishment of a New Share Option Scheme

In view of the new requirements introduced on 1 September 2001 to Chapter 17 of the HK Listing Rules with respect to share option schemes of Hong Kong listed companies and their subsidiaries, the Directors of the Company have proposed establishing a new share option scheme for the Company, subject to approval by the Company's shareholders at the annual general meeting of the Company for Year 2002 (the "**2002 Annual General Meeting**"). In order to differentiate this new scheme from the existing employee share option scheme of the Company (the "**iRegent Share Option Scheme**" as referred to in note 27 to the Financial Statements or as the "**Existing Scheme**" below), which shall continue in force until 14 July 2004 unless it is terminated before then, the new scheme is named "Share Option Scheme (2002)" (the "**Share Option Scheme (2002)**").

An ordinary resolution has been proposed for the 2002 Annual General Meeting to approve, inter alia, the establishment of the Share Option Scheme (2002). Details of the new scheme are set out in a shareholders' circular (the "**Shareholders' Circular**") to be issued by the Company.

Application will be made to the Listing Committee of the HK Stock Exchange for the approval of the listing of and permission to deal in the shares to be issued pursuant to the exercise of the options granted under the Share Option Scheme (2002). Implementation of the scheme is subject to such approval of listing and permission to deal being granted.

Termination of the Existing Employee Share Option Scheme

The adoption of the Share Option Scheme (2002) shall not affect outstanding options under the iRegent Share Option Scheme. However, the Directors have proposed that the Existing Scheme be terminated, subject to the adoption of the Share Option Scheme (2002) and the grant by the HK Stock Exchange of the aforesaid approval in respect of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the Share Option Scheme (2002). Accordingly, approval of the shareholders will also be sought at the 2002 Annual General Meeting to terminate the Existing Scheme, provided that its provisions shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted under such scheme prior to the date of such termination. No further options will be granted under the Existing Scheme prior to the date of the 2002 Annual General Meeting.

Report of the Directors (continued)

Change of Company Name

Upon review of the Company's current strategy and operations, the Board has proposed to change the Company's name to its original name "Regent Pacific Group Limited", subject to approval by its shareholders at a general meeting and of 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.

A special resolution has been proposed for the 2002 Annual General Meeting to change the name of the Company to "Regent Pacific Group Limited". Details of the change of the Company's name are set out in the Shareholders' Circular.

Auditors

The Financial Statements were audited by KPMG.

Subsequent to the year end date, the Company's Auditors, KPMG, indicated that a limited liability company, KPMG Audit LLC, were to assume responsibility for certain aspects of their audit business with effect from 1 October 2002. Accordingly, KPMG resigned and the Directors have appointed KPMG Audit LLC as the Auditors of the Company in place of KPMG on 2 October 2002. KPMG Audit LLC will retire at the 2002 Annual General Meeting and, being eligible, offer themselves for re-appointment. An ordinary resolution has been proposed for the 2002 Annual General Meeting for the re-appointment of KPMG Audit LLC.

On Behalf of the Board

James Mellon

Chairman

Hong Kong, 2 October 2002