REGENT PACIFIC GROUP LIMITED

(FORMERLY IREGENT GROUP LIMITED)

(Incorporated in the Cayman Islands with limited liability)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002

RESULTS

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited ("**Regent**" or the "**Company**" and collectively with its subsidiaries, the "**Group**") announce the unaudited results of the Group for the six months ended 30 September 2002, together with comparative figures for the corresponding period ended 30 September 2001, as follows:

Condensed Consolidated Income Statement
For the six months ended 30 September 2002

	Note	(Unaudited) For the six months ended 30 September 2002 US$'000	2001 US$'000
Turnover:	2		
Asset management and corporate finance		1,348	1,590
Corporate investment income and realised and unrealised gains and losses		226	214
Internet retailing		16	2,023
		1,590	3,827
Expenses:			
Personnel costs		(1,179)	(2,417)
Marketing costs and commissions		(10)	(126)
Cost of internet goods sold		—	(2,025)
Other costs		(1,026)	(3,000)
		(625)	(3,741)
Share of (losses)/profits of associates		(3,696)	1,165
Operating loss on core activities	3	(4,321)	(2,576)
Loss on deemed disposal of subsidiary	4	—	(8)
Operating loss from ordinary activities		(4,321)	(2,584)
Finance costs - interest on bank overdraft		(9)	(16)
Loss before taxation		(4,330)	(2,600)
Taxation	5	(631)	(193)
Loss after taxation		(4,961)	(2,793)
Minority interests		(1)	943
Net loss attributable to shareholders		**(4,962)**	**(1,850)**
Dividend	6	—	—
Loss per share (US cents)	7		
- Basic		(0.42)	(0.16)
- Diluted		N/A	N/A

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**"), including compliance of Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

The condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended 31 March 2002.

The same accounting policies adopted in the financial statements for the year ended 31 March 2002 have been applied to these condensed interim financial statements except that the Group has changed certain of its accounting policies following the adoption of the following new or revised Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants ("**SSAP**") effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (Revised)	:	Presentation of financial statements
SSAP 11 (Revised)	:	Foreign currency translation
SSAP 15 (Revised)	:	Cash flow statements
SSAP 25 (Revised)	:	Interim financial reporting
SSAP 34	:	Employee benefits

The adoption of the above new and revised SSAPs has no material effect on the Group's results and net asset value other than presentational changes. Certain comparative figures have been reclassified to conform with the current period's presentation.

2. **Segmented information**

Segmented information is presented in respect of the Group's business and geographical segments. Business segmented information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

Business segments

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 2002

	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	1,332	16	226	16	—	—	1,590
Inter-segment revenue	3	—	1	—	(4)	—	—
	1,335	16	227	16	(4)	—	1,590
Segment results	731	(266)	(194)	3	(97)	—	177
Unallocated operating expenses	—	—	—	—	—	(802)	(802)
Loss from operations							(625)
Share of losses less profits of associates	—	—	—	—	—	(3,696)	(3,696)
Finance costs							(9)
Taxation							(631)
Minority interests							(1)
Loss attributable to shareholders							(4,962)

For the six months ended 30 September 2001

	Asset management US$'000	Corporate finance US$'000	Corporate investment US$'000	Internet retailing US$'000	Inter-segment elimination US$'000	Unallocated US$'000	Consolidated US$'000
Revenue from external customers	1,310	280	214	2,023	—	—	3,827
Inter-segment revenue	62	2	—	—	(64)	—	—
	1,372	282	214	2,023	(64)	—	3,827
Segment results	270	(106)	(559)	—	(2,360)	—	(2,755)
Unallocated operating expenses	—	—	—	—	—	(986)	(986)
Loss from operations							(3,741)
Share of profits less losses of associates	—	—	—	—	—	1,165	1,165
Loss on deemed disposal of subsidiary							(8)
Finance costs							(16)
Taxation							(193)
Minority interests							943
Loss attributable to shareholders							(1,850)

Geographical segments

The Group's business is managed on a world-wide basis. Asia Pacific is a major market for its assets management business.

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

For the six months ended 30 September 2002

	North America US$'000	Asia Pacific US$'000	Australasia US$'000	Eastern Europe US$'000	Russia US$'000	Western Europe US$'000	Others US$'000	Total US$'000
Revenue from external customers	190	943	53	28	8	396	(28)	1,590

For the six months ended 30 September 2001

	North America US$'000	Asia Pacific US$'000	Australasia US$'000	Eastern Europe US$'000	Russia US$'000	Western Europe US$'000	Others US$'000	Total US$'000
Revenue from external customers	(137)	1,321	45	6	15	2,676	(99)	3,827

3. **Operating loss on core activities**

	(Unaudited) For the six months ended 30 September 2002 *US$'000*	2001 *US$'000*
After charging:		
Amortisation of intangible assets	—	337
Auditors' remuneration	21	63
Depreciation	48	241
Foreign exchange loss	39	134
Loss on disposal of fixed assets	2	4
Operating lease rental on property	149	447
Provision for diminution in value of other investments	41	280
Provision for diminution in value of current investments	36	—
After crediting:		
Net profit on disposal of current investments	191	—
Net profit on disposal of other non-current financial assets	45	46
Interest income	25	270
Investment income from listed investments	4	4
Unrealised profit on current investments	—	27

The total cost of services rendered for the period was US$1,032,000 (2001: US$1,124,000).

4. **Loss on deemed disposal of subsidiary**

The loss on deemed disposal of subsidiary in the comparative period relates to the dilution of the Group's interest in bigsave Holdings plc due to the issue of further shares by bigsave Holdings plc to its minority shareholders.

5. **Taxation**

	(Unaudited) For the six months ended 30 September 2002 *US$'000*	2001 *US$'000*
Group:		
Hong Kong profits tax for the period	—	—
Overseas taxation		
- Group subsidiaries	—	(4)
- Share of tax of associates	631	197
	631	193

No provision for Hong Kong 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. Taxes on profits assessable in overseas countries have been calculated at the rates of taxation prevailing in such countries. Provision has been set aside in respect of all entities where the directors believe a liability exists.

Further to certain enquiries into the amount of tax paid by the Company and its subsidiaries in respect of its operations in some jurisdictions in previous years, the Group has set aside a general provision of US$2,500,000 against potential taxation liabilities. Final settlement was reached with the relevant tax authority in October 2002 and no further provision is required.

6. **Dividend**

The Group will not declare an interim dividend for the six months ended 30 September 2002 (2001: Nil).

7. **Loss per share**

a. The calculation of basic loss per share is based on the net loss attributable to shareholders for the period of US$4,962,000 (2001: US$1,850,000) and on the weighted average of 1,186,902,435 (2001: 1,186,902,435) shares of the Company in issue during the period.

b. Diluted loss per share is not presented as the outstanding share options and warrants were anti- dilutive (2001: Nil).

REVIEW AND PROSPECTS

The Group recorded a loss attributable to shareholders of US$5 million (2001: US$1.8 million) for the period ended 30 September 2002. The bulk of these losses resulted from the Group's investment in KoreaOnline Limited ("**KOL**"). The Chairman is pleased to say that the dispute with the former management team at KOL is now firmly behind us with a new board being reconstituted on 21 October 2002. This board is highly experienced in the securities business and has already identified ways of improving the performance of Bridge Securities Co Ltd ("**Bridge**"), the only operating asset of KOL. The Chairman is confident that the new management team will focus on getting KOL and Bridge on the right track to delivering profitability commensurate with its peer group and with its substantial asset base. KOL's balance sheet remains strong with a significant surplus of capital; this was further strengthened during the period mainly due to the appreciation of the Korean Won (KRW) against the US dollars. The Group's shareholders' equity showed a further increase of 4.2% to US$90.7 million from US$87 million as at 31 March 2002. The key challenge for the new KOL management team is to restore Bridge to profitability so that the Group can achieve a successful realization of its investment in KOL. As we have previously indicated, it is the Directors' current intention that such a realization will be substantially distributed to all shareholders.

The Group is focusing its efforts on building its asset management business and is exploring ways to increase funds under management, which may be achieved by organic expansion and/or acquisition. As shareholders know, the bulk of our asset management business was distributed to shareholders in specie in May 2000. Our fund managers remain committed to Regent's long standing and successful value-based investment strategy, and the funds that they manage have achieved favorable returns during the period, despite adverse markets.

The Directors of the Company have decided not to declare a dividend for the period. As at the date of the interim report, no bonuses have been paid to eligible participants during the period.

Detailed analysis of the Group's figures can be seen in the condensed consolidated income statement and balance sheet, which are set out in the interim report. It should be noted that the Group has no debt.

A summary on each of the main business areas of the Group, authored by those who are responsible for them in the management structure, is included in the interim report.

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare an interim dividend for the six months ended 30 September 2002 (2001: Nil).

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

Revenue and profits

The Group recorded a loss attributable to shareholders of US$5 million (2001: US$1.8 million) for the period ended 30 September 2002. Detailed analysis of these figures can be seen in the condensed consolidated income statement.

The loss was mainly attributable to the Group's share of loss after tax of US$4.3 million (2001: profit of US$1.1 million) from its Korean associate, KoreaOnline Limited. The slowdown in the Korean securities market and a drop of approximately 26.2% in the Korean Stock Market (KOSPI) from approximately 875.83 to 646.42 coupled with a lack of planning for the merger of Regent Securities Co Ltd ("**RSC**") and Ileun Securities Co Ltd ("**ISC**"), the two main operating companies of KOL that were merged on 22 January 2002 to form Bridge Securities Co Ltd, resulted in KOL making a loss of US$8.7 million for the half year ended 30 September 2002. In addition, KOL management has made a general provision that former KOL management did not recognize for litigation matters, which has added to the loss. Intense competition in the Korean securities industry fuelled by declining volumes and online trading resulted in significant pricing compression as well as loss of market share for Bridge in its retail brokerage business. Significant matters relating to the merger of RSC and ISC in key areas of retail brokerage, proprietary trading and investment banking have not been addressed, resulting in less than optimum utilization of the combined resources of the merged companies. Furthermore, the cost base of Bridge has increased while revenues have remained flat compared to the same period in the previous year. In comparison to the preceding six months, revenues are significantly lower.

The revenue of the asset management and corporate finance business was reduced by 15% to US$1.3 million (2001: US$1.6 million) partly due to the reduction in assets under management. It contributed a profit of US$0.5 million (2001: US$0.2 million) to the Group. The technology and internet stock investment environment remains poor. A loss of US$0.1 million, net of minority interests (2001: US$2.2 million), which was a significant improvement as compared with the corresponding period last year, was attributable to the technology and internet business, including AstroEast.com Limited. The corporate investment business incurred a loss of US$0.2 million (2001: US$0.6 million), which, compared with the corresponding period last year, has reduced by 65% due to the provision made on a portfolio basis for the technology stakes last year.

Balance Sheet

Shareholders' equity increased slightly by 4.2% to US$90.7 million (31 March 2002: US$87 million) during the period, which was mainly due to the appreciation of the Korean Won (KRW) against the US dollars from 1,326 to 1,222.5 (a gain of approximately 8.5% for the period). KOL now accounts for approximately 91% of the total shareholders' funds as at 30 September 2002. The remaining Group assets comprise the technology investments of US$4 million and other corporate investments of US$5 million.

As mentioned in the Group's annual report and financial statements for the year ended 31 March 2002, its investment in bigsave Holdings plc was fully provided as at 31 March 2002 and there has been no effect on the Group's income statement or balance sheet during the period.

The borrowings of the Group amounting to US$428,000 at 31 March 2002 were limited to those of bigsave Holdings plc. The Group has no borrowings at 30 September 2002, which is in keeping with the Directors' stated policy.

Future funding

As at 30 September 2002, the Group had US$5.3 million net cash or 6% of its total shareholders' funds of which US$5 million formed part of "head office" funding. 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 United Kingdom due to their non-cash nature and the high hedging cost such hedging would involve.

As KOL was responsible for approximately 91% of the total shareholders' funds as at 30 September 2002, the Company is exposed to the fluctuations in the equity values of KOL. The exposure is to the Korean economy, and its credit and equity markets. The responsibility for management of these risks rests with the KOL 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's specialist investment managers closely monitor the operations and performance of these companies.

The Group will operate both equity market and currency hedges from time to time and on a speculative basis. Speculative 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 2002, the amount of these margin deposits was US$69,000 (2001: US$146,000).

Contingent liabilities

Shareholders will be aware that the Company (acting together with The State of Wisconsin Investment Board) commenced legal proceedings in the Cayman Islands on 2 August 2002 against KoreaOnline Limited to compel the convening of an extraordinary general meeting ("**EGM**") of KOL to be held on a date earlier than 10 January 2003. Those proceedings were dismissed by consent on 16 October 2002 consequent upon a subsequent decision by the board of KOL to convene the EGM on 14 October 2002. However, on 11 October 2002, Peter Everington, a former director of KOL, initiated proceedings in the Cayman Islands against, amongst others, KOL and the Company to prevent that EGM from being held. At a hearing on 17 October 2002, and after considering the merits, the court dismissed in its entirety Peter Everington's application to prevent the EGM from taking place and ordered that Peter Everington bear the costs of that application. The proceedings commenced by Peter Everington were discontinued on 8 November 2002.

Save as noted above, the Group was not involved in any material litigation or disputes during the six months ended 30 September 2002.

No other material changes were noted during the six months ended 30 September 2002 from the information disclosed in the published annual report for the year ended 31 March 2002.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises the two independent non-executive Directors, namely Anthony Robert Baillieu and Stawell Mark Searle, and a non-executive Director, David McMahon.

The interim financial statements of the Company for the six months ended 30 September 2002 have been reviewed by the Audit Committee.

COMPLIANCE OF THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30 September 2002, in compliance with The Code of Best Practice as set out in Appendix 14 to the HK Listing Rules.

PUBLICATION OF FURTHER INFORMATION

All information required by paragraphs 46(1) to 46(6) inclusive of Appendix 16 to the HK Listing Rules in respect of the preliminary announcement of the interim results 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 INTERIM REPORT

The interim report containing full details of the Company's unaudited interim results for the six months ended 30 September 2002 will be despatched to all its shareholders and warrantholders and be published on the aforesaid websites before 31 December 2002.

On behalf of the Board of
Regent Pacific Group Limited

James Mellon
Chairman

Hong Kong, 17 December 2002