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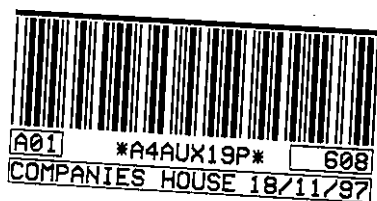


REGENT

FUND MANAGEMENT (UK) Ltd
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

REPORT AND ACCOUNTS

31 March 1997



REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

Registered No. 3017258

DIRECTORS

C Kingsnorth (Chief Executive)
A Pegge (Chairman)
J Demby (Resigned 12 May 1997)
D Bokor-Ingram
R Macrae
Sir J Mellon
S Shaw

SECRETARY

A Pegge

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

SOLICITORS

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

REGISTERED OFFICE

Walter House
418-422 Strand
London WC2R 0PT

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1997.

ACTIVITY OF THE COMPANY

The company carries on the business of the provision of investment management services.
The company was incorporated on 2 February 1995.

CHANGE OF NAME

The company changed its name from Regent Kingpin Capital Management Limited to Regent Fund Management (UK) Ltd on 6 November 1996.

RESULTS

The profit before taxation for the year ended 31 March 1997 amounted to £1,263,137 (period ended 31 March 1996 loss of £150,281). After taxation of £369,597 (1996: Nil) £893,540 is transferred to reserves (1996: £150,281 transferred from reserves).

FIXED ASSETS

The company acquired £37,891 of fixed assets comprising computer hardware and software, office equipment and fixtures and fittings to support the activities of the business.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events since the Balance sheet date.

DIRECTORS AND THEIR INTERESTS

The directors at 31 March 1997 and their interests in the share capital of the company were as follows:

	At 31 March 1997	Share	At 31 March 1996	Share
	Ordinary shares	options	Ordinary shares	options
C Kingsnorth	-	-	1275	-
A Pegge	-	-	1275	-
J Demby	-	-	150	250
D Bokor-Ingram	-	-	150	250
R Macrae	-	-	150	250
Sir J Mellon	-	-	-	-
S Shaw	-	-	-	-

REGENT FUND MANAGEMENT (UK) LTD
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The directors at 31 March 1997 and their interests in the share capital of the parent company were as follows:

	At 31 March 1997	Share	At 31 March 1996	Share
	Ordinary shares	options	Ordinary shares	options
C Kingsnorth	-	160,000	-	-
A Pegge	-	160,000	-	-
J Demby	-	197,328	-	-
D Bokor-Ingram	-	197,328	-	-
R Macrae	-	197,328	-	-
Sir J Mellon	-	-	-	-
S Shaw	-	-	-	-

The share options are exercisable between 1 January 1997 and 30 April 1999. As at 31 March 1997 no options had been exercised.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to members at the Annual General Meeting.



By order of the board
A Pegge
Secretary
19 May 1997

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

REPORT OF THE AUDITORS
to the members of Regent Fund Management (UK) Limited

We have audited the accounts on pages 6 to 14 , which have been prepared under the historical cost convention as modified by the revaluation of current asset investments and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

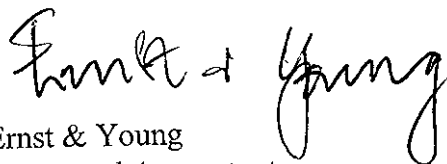
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London
30 May 1997

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1997

		YEAR ENDED 31 MARCH 1997	14 MONTHS ENDED 31 MARCH 1996
	Notes	£	£
Turnover	2	3,642,225	452,673
Operating charges		(2,517,389)	(675,212)
Income from investments	3(b)	<u>101,893</u>	<u>49,366</u>
Operating profit/(loss)	3(a)	1,226,729	(173,173)
Other interest receivable		36,408	22,892
Profit/(loss) on ordinary activities before taxation		<u>1,263,137</u>	<u>(150,281)</u>
Taxation	6	(369,597)	-
Profit/(loss) for the year		<u>893,540</u>	<u>(150,281)</u>

HISTORICAL COST PROFIT/(LOSS)

Reported profit/(loss) for the year	893,540	(150,281)
Unrealised gain on investments	(26,459)	(37,232)
Exchange loss on investments	21,439	9,540
Historical cost profit/(loss)	<u>888,520</u>	<u>(177,973)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit/(loss) stated above.

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

BALANCE SHEET
AT 31 MARCH 1997

		1997	1996
	Notes	£	£
FIXED ASSETS			
Tangible assets	7	87,025	87,083
CURRENT ASSETS			
Debtors	8	1,152,069	278,098
Investments	9	338,920	317,945
Cash at bank and in hand		837,206	325,522
		<u>2,328,195</u>	<u>921,565</u>
CREDITORS: amounts falling due within one year	10	671,961	158,929
		<u>1,656,234</u>	<u>762,636</u>
NET CURRENT ASSETS			
		<u>1,743,259</u>	<u>849,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Share premium account	11	999,900	999,900
Profit and loss account	12	743,259	(150,281)
EQUITY SHAREHOLDERS' FUNDS		<u>1,743,259</u>	<u>849,719</u>

C Kingsnorth
 Director
 30 May 1997



REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

NOTES TO THE ACCOUNTS
AT 31 MARCH 1997

1. ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards modified by the revaluation of current asset investments.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Tangible fixed assets are written off on a straight line basis over their estimated useful lives as follows:

Computer/office equipment	5 years
Fixtures and fittings	5 years

Foreign currencies

Transactions in foreign currencies are recorded at the ruling rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The company makes defined contributions to employee's private pension schemes. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

Investments

Investments are stated at market value at the balance sheet date and the difference between cost and market value is taken to the profit and loss account. This treatment is a departure from UK historical cost accounting rules which stipulate that unrealised profits be credited to a revaluation reserve.

Investment income is shown after deducting directly related investment expenses. Dividends receivable are accounted for on an ex-dividend basis and include associated tax credits.

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

2. TURNOVER

Turnover, which is stated net of value added tax, represents the value of services relating to the management of investment funds.

	1997	1996
	£	£
Total management and performance fees	3,767,360	511,063
Investment advisory fees	(125,135)	(58,390)
Turnover	<u>3,642,225</u>	<u>452,673</u>

The company has one principal activity which is the provision of investment management services; as a consequence no analysis by business type is provided. Turnover by location of the underlying funds managed is as follows:

Turnover by segmental analysis	1997	1996
	£	£
Indian sub-continent	121,295	119,467
Eastern Europe	2,592,325	265,578
Global	928,605	67,628
Total	<u>3,642,225</u>	<u>452,673</u>

3. OPERATING PROFIT/(LOSS):

(a) This is stated after charging:	1997	1996
	£	£
Foreign exchange (gain)/loss	(12,892)	8,834
Staff costs	806,979	370,340
Depreciation	37,949	20,609
Operating lease rentals	32,640	3,309
- land and buildings		
- office equipment	924	924
Auditors' remuneration	10,000	10,000
- audit services		
- non audit services	37,650	2,500

(b) This is stated after crediting:

Income from investments (see note 9):

	1997	1996
	£	£
Unrealised gain	26,459	37,232
Realised gain	75,434	12,134
	<u>101,893</u>	<u>49,366</u>

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

4. DIRECTORS' EMOLUMENTS

	1997	1996
	£	£
Emoluments (including pension contributions)	<u>424,010</u>	<u>224,888</u>

The emoluments, excluding pension contributions, of the highest paid director and the chairman were £107,948 and £60,100 respectively (1996: Highest paid director and chairman £51,002).

5. STAFF COSTS

	1997	1996
	£	£
Wages and salaries	694,617	307,774
Social security costs	69,204	31,321
Other pension costs	43,158	31,245
	<u>806,979</u>	<u>370,340</u>

The average weekly number of employees during the year was

<u>11</u>	<u>11</u>
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6. TAXATION

UK corporation tax at 33%	<u>369,597</u>	<u>-</u>
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REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

7. TANGIBLE FIXED ASSETS

	<i>COMPUTER OFFICE EQUIPMENT</i>	<i>FIXTURES & FITTINGS</i>	<i>TOTAL</i>
	£	£	£
Cost:			
Opening Balance	75,386	32,306	107,692
Additions	35,012	2,879	37,891
Disposals	-	-	-
At 31 March 1997	<u>110,398</u>	<u>35,185</u>	<u>145,583</u>
Depreciation:			
Opening Balance	17,033	3,576	20,609
Provided during the year	31,149	6,800	37,949
Disposals	-	-	-
At 31 March 1997	<u>48,182</u>	<u>10,376</u>	<u>58,558</u>
Net book Value:			
At 31 March 1997	<u>62,216</u>	<u>24,809</u>	<u>87,025</u>
Net book Value:			
At 31 March 1996	<u>58,353</u>	<u>28,730</u>	<u>87,083</u>

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

8. DEBTORS

	1997	1996
	£	£
Trade debtors	302,110	134,701
Other debtors	205,542	70,141
Prepayments and Accrued income	103,545	73,256
Amounts owed by parent and fellow subsidiary undertakings	540,872	-
	<u>1,152,069</u>	<u>278,098</u>

9. INVESTMENTS

	1997	1996
	£	£
Opening balance	290,253	-
Additions at cost	316,355	792,750
Disposals at cost	(301,796)	(502,497)
Historical cost at end of year	<u>304,812</u>	<u>290,253</u>
Revaluation mark-to-market: unrealised gain	65,038	37,232
Exchange loss	(30,930)	(9,540)
Market value of investments	<u>338,920</u>	<u>317,945</u>

Investments comprise:

	1997	1996
	£	£
Listed on Stock Exchanges other than the London Stock Exchange	138,870	317,945
Central Government Debt	200,050	-
	<u>338,920</u>	<u>317,945</u>

10. CREDITORS: amounts falling due within one year

	1997	1996
	£	£
Trade creditors	-	33,804
Corporation tax	369,597	-
Other taxes and social security costs	14,622	13,034
Other creditors	117,992	83,243
Accruals	169,750	28,848
	<u>671,961</u>	<u>158,929</u>

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

11. SHARE CAPITAL AND SHARE PREMIUM

<i>Authorised</i>		1997	1996
100,000 Ordinary shares of £0.01 each		<u>£1,000</u>	<u>£1,000</u>
<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	<i>No.</i>	<i>£</i>
	1997	1996	1997
Ordinary Shares of £0.01 each	<u>10,000</u>	<u>10,000</u>	<u>100</u>
			1996
			<u>100</u>

There have been no movements in share capital and share premium during the year.

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 2 February 1995	-	-	-	-
Shares issued during the period	100	999,900	-	1,000,000
Loss for the period	-	-	(150,281)	(150,281)
At 31 March 1996	<u>100</u>	<u>999,900</u>	<u>(150,281)</u>	<u>849,719</u>
Profit for the year	-	-	893,540	893,540
At 31 March 1997	<u>100</u>	<u>999,000</u>	<u>743,259</u>	<u>1,743,259</u>

13. LEASE COMMITMENTS

At 31 March 1997 the company had annual commitments amounting to £32,640 under an operating lease in relation to land and buildings which expires in more than five years (1996: £32,640)

14. STATEMENT OF CASH FLOWS

The company has taken advantage of the exemption, as a wholly owned subsidiary of Regent Pacific Group Limited, not to present a statement of cash flows.

REGENT FUND MANAGEMENT (UK) LTD
(FORMERLY REGENT KINGPIN CAPITAL MANAGEMENT LIMITED)

15. SUBSIDIARY UNDERTAKINGS

The Company holds the sole founder ordinary share (nominal value USD 0.01) in Regent Kingpin Acquisitions Limited ("RKAL"), a company incorporated on 9 January 1996 and registered in the Cayman Islands. RKAL was established to implement corporate acquisitions. The accounts of the subsidiary are not being consolidated with those of the company as there were no transactions and the balances are immaterial.

16. RELATED PARTIES

The ultimate parent company is Regent Pacific Group Limited incorporated in the Cayman Islands, which is also the parent undertaking of the largest group for which group accounts are prepared. Copies of the group accounts of Regent Pacific Group limited are available from Regent Pacific Group Limited, 904-906 Asia Pacific Tower, 3 Garden Road, Central, Hong Kong.

The company has not disclosed details of transactions with other group companies as permitted by FRS 8 - Related Party Disclosures.