

RESULTS

The directors of iRegent Group Limited (“iRegent” or the “Company” or the “Group”) announce the results of the Group for the six months ended 30 September 2000.

The unaudited consolidated profit and loss account, balance sheet and cash flow statement of the Company and its subsidiaries for the six months ended 30 September 2000, together with comparative figures for the corresponding period, are as follows:

Consolidated Profit and Loss Account

		For the six months ended	
		30 September	
		2000	1999
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
Turnover:	3		
Asset management, corporate finance, property management and stockbroking		7,655	7,152
Corporate investment income and realised and unrealised gains and losses		1,878	16,120
Internet retailing		2,064	–
		<u>11,597</u>	<u>23,272</u>
Expenses:			
Personnel costs		(3,380)	(13,076)
Marketing costs and commissions		(2,617)	(1,038)
Cost of internet retail goods sold		(4,577)	–
Other costs		(1,934)	(2,760)
		<u>(911)</u>	<u>6,398</u>
Share of (losses)/profits of associated companies		<u>(21,628)</u>	<u>19,940</u>
Operating (loss)/profit on core activities	4	(22,539)	26,338
(Losses)/Profits on sale of interests in associated companies	5	(1,070)	20,859
Profit on deemed disposal of subsidiary	6	2,005	–
		<u>(21,604)</u>	<u>47,197</u>
Operating (loss)/profit from ordinary activities		(21,604)	47,197
Finance costs – interest on bank overdraft		(154)	(180)
		<u>(21,758)</u>	<u>47,017</u>
(Loss)/Profit before taxation		(21,758)	47,017
Taxation	7	(3,417)	(7,237)
		<u>(25,175)</u>	<u>39,780</u>
(Loss)/Profit before minority interests		(25,175)	39,780
Minority interests		1,214	(549)
		<u>1,214</u>	<u>(549)</u>
Net (loss)/profit attributable to shareholders		<u>(23,961)</u>	<u>39,231</u>
(Loss)/Earnings per share (US cents):			
Basic	8(a)	(2.13)	4.29
Diluted	8(b)	(2.11)	4.09
		<u>(2.11)</u>	<u>4.09</u>
Interim dividends per share (US cents)		<u>Nil</u>	<u>1.03</u>
Consolidated Statement of Recognised Gains and Losses			
Movements in exchange differences on the translation of the financial statements of entities not accounted for in United States dollars		(1,350)	(1,768)
Net (loss)/profit for the period		<u>(23,961)</u>	<u>39,231</u>
Total recognised gains and losses		<u>(25,311)</u>	<u>37,463</u>
Movement on goodwill taken directly from reserves		(64,901)	(4,516)
		<u>(90,212)</u>	<u>32,947</u>

Consolidated Balance Sheet

		30 September 2000	31 March 2000
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
Fixed assets: plant and equipment		1,190	790
Interests in associated companies		43,505	90,256
Interest in jointly controlled entity		–	2,350
Other non-current financial assets	<i>9, 10</i>	22,454	16,237
		<hr/>	<hr/>
Total non-current assets		67,149	109,633
Deferred taxation		–	(143)
		<hr/>	<hr/>
Net non-current assets		67,149	109,490
		<hr/>	<hr/>
Current assets:			
Cash and bank balances	<i>11</i>	8,424	8,442
Current investments	<i>9, 10</i>	1,361	32,469
Accounts receivable	<i>12</i>	2,932	25,975
Due from associated companies		4,629	663
Prepayments, deposits and other receivables		3,430	3,810
		<hr/>	<hr/>
		20,776	71,359
		<hr/>	<hr/>
Current liabilities:			
Accounts payable, accruals and other payables	<i>13</i>	(2,989)	(31,672)
Taxation - current		(1,178)	(1,547)
Proposed interim dividends		–	(29,272)
Due to associated companies		(1,381)	–
		<hr/>	<hr/>
		(5,548)	(62,491)
		<hr/>	<hr/>
Net current assets		15,228	8,868
		<hr/>	<hr/>
Net assets		82,377	118,358
		<hr/>	<hr/>
Share capital	<i>14</i>	11,869	9,268
Reserves	<i>15</i>	67,908	109,036
		<hr/>	<hr/>
Shareholders' equity		79,777	118,304
Minority interests		2,600	54
		<hr/>	<hr/>
Capital and reserves		82,377	118,358
		<hr/>	<hr/>

Consolidated Cash Flow Statement

	<i>Note</i>	For the six months ended 30 September 2000 <i>US\$'000</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	<u>(3,870)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Net interest paid		(3)
Dividends paid to shareholders		<u>(12,257)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(12,260)</u>
TAXATION		
Hong Kong and overseas profits tax paid		<u>(160)</u>
INVESTING ACTIVITIES		
Purchase of other non-current financial assets		(5,500)
Net sale of current investments		15,284
Purchase of fixed assets		(448)
Purchase of interests in associated companies		(1,071)
Cash distributed through in specie dividend		(7,678)
Cash received on purchase of subsidiary		5,567
Cash received on deemed sale of subsidiary	6	2,439
Proceeds from disposal of associated companies		<u>2,566</u>
Net cash inflow from investing activities		<u>11,159</u>
NET CASH OUTFLOW BEFORE FINANCING – CARRIED FORWARD		(5,131)
FINANCING		
Issue of shares	14	6,665
Repurchase of shares	14	<u>(480)</u>
Net cash inflow from financing activities		<u>6,185</u>
Increase in cash and cash equivalents		1,054
Cash and cash equivalents at beginning of period		8,442
Effects of currency fluctuations		<u>(1,072)</u>
Cash and cash equivalents at end of period		<u>8,424</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	11	<u>8,424</u>

Notes on the unaudited interim financial report

1. Basis of Presentation

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 7 May 1991. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 May 1997. The Company changed its name from iRegent.com Limited to iRegent Group Limited on 18 September 2000. The unaudited consolidated profit and loss account of the Group includes the results of the companies now comprising the Group throughout the six month period from 1 April 2000 to 30 September 2000. All material intra-group transactions and balances have been eliminated on consolidation.

This interim financial report is unaudited, but has been reviewed by the Audit Committee.

This interim financial report has been prepared in accordance with the requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants, except that comparative figures for the cash flow statement have not been prepared as the Company has taken advantage of the transitional provisions set out in the Listing Rules.

The financial information relating to the financial year ended 31 March 2000 included in this interim financial report does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2000 are available from the Company's principal place of business in Hong Kong. The auditors have expressed an unqualified opinion on those financial statements in their report dated 14 July 2000.

The same accounting policies adopted in the financial statements for the year ended 31 March 2000 have been applied to this interim financial report, with the exception of some additional accounting policies to reflect the introduction of internet retailing to the Group. All additional accounting policies are detailed in note 2 below.

The notes on this interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2000.

2. Summary of New Accounting Policies

Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or can be allocated on a reasonable basis to such activities. Due to the nature of the Group's research and development activities, no development costs satisfy the criteria for recognition as an asset. Research and development costs are therefore recognised as an expense in the period in which they are incurred.

Revenue recognition:

- (a) revenue from internet sales is recognised when the products are despatched to customers. Provision is made for sales returns based on historical experience and management expectation; and
- (b) consultancy revenue is accounted for on an accrual basis.

3. Segmented Information

The constituents of the Group's turnover and contribution to operating profit by principal activities and geographical areas of operation during the financial period were as follows:-

Turnover for the six months ended 30 September 2000

Activity	Geographical Area							Total US\$'000
	North America US\$'000	Korea US\$'000	Australasia US\$'000	Eastern Europe US\$'000	Russia US\$'000	Western Europe US\$'000	Others US\$'000	
Financial business:								
Asset management	3	4,641	269	360	385	145	1,127	6,930
Corporate finance	-	-	-	200	1	32	24	257
Corporate investment	10	(398)	14	(305)	(1,890)	2,431	2,016	1,878
Stockbroking	-	-	-	-	5	-	-	5
Non-financial business:								
Property management	-	-	-	463	-	-	-	463
Internet retailing	-	-	-	-	-	2,064	-	2,064
	<u>13</u>	<u>4,243</u>	<u>283</u>	<u>718</u>	<u>(1,499)</u>	<u>4,672</u>	<u>3,167</u>	<u>11,597</u>

Contribution for the six months ended 30 September 2000

Activity	Geographical Area							Total US\$'000
	North America US\$'000	Korea US\$'000	Australasia US\$'000	Eastern Europe US\$'000	Russia US\$'000	Western Europe US\$'000	Others US\$'000	
Financial business:								
Asset management	1	3,190	52	70	75	28	775	4,191
Corporate finance	-	-	-	49	1	20	(74)	(4)
Corporate investment	(5)	(425)	15	(399)	(2,508)	2,812	2,141	1,631
Stockbroking	-	-	-	(262)	-	-	-	(262)
Non-financial business:								
Property management	-	-	-	215	-	-	-	215
Internet retailing	-	-	-	-	-	(2,952)	-	(2,952)
	<u>(4)</u>	<u>2,765</u>	<u>67</u>	<u>(327)</u>	<u>(2,432)</u>	<u>(92)</u>	<u>2,842</u>	<u>2,819</u>

Turnover for the six months ended 30 September 1999

Activity	Geographical Area							Total US\$'000
	North America US\$'000	Korea US\$'000	Australasia US\$'000	Eastern Europe US\$'000	Russia US\$'000	Western Europe US\$'000	Others US\$'000	
Financial business:								
Asset management	-	288	226	2,404	620	38	2,658	6,234
Corporate finance	-	-	-	404	41	-	191	636
Corporate investment	(465)	3,555	7	3,243	4,776	793	4,211	16,120
Stockbroking	-	-	-	-	282	-	-	282
Non-financial business:								
Property management	-	-	-	-	-	-	-	-
Internet retailing	-	-	-	-	-	-	-	-
	<u>(465)</u>	<u>3,843</u>	<u>233</u>	<u>6,051</u>	<u>5,719</u>	<u>831</u>	<u>7,060</u>	<u>23,272</u>

Contribution for the six months ended 30 September 1999

Activity	Geographical Area							Total US\$'000
	North America US\$'000	Korea US\$'000	Australasia US\$'000	Eastern Europe US\$'000	Russia US\$'000	Western Europe US\$'000	Others US\$'000	
Financial business:								
Asset management	-	118	93	989	255	16	1,094	2,565
Corporate finance	(1)	-	-	(409)	(42)	-	(194)	(646)
Corporate investment	(490)	3,365	7	3,069	4,520	751	3,985	15,207
Stockbroking	-	-	-	-	(745)	-	-	(745)
Non-financial business:								
Property management	-	-	-	-	-	-	-	-
Internet retailing	-	-	-	-	-	-	-	-
	<u>(491)</u>	<u>3,483</u>	<u>100</u>	<u>3,649</u>	<u>3,988</u>	<u>767</u>	<u>4,885</u>	<u>16,381</u>

4. Operating (Loss)/Profit on Core Activities

	For the six months ended 30 September	
	2000 US\$'000	1999 US\$'000
After charging:		
Depreciation	278	336
Foreign exchange losses	-	56
Net losses from disposal of current investments	10,690	877
Losses on disposal of fixed assets	28	-
Losses less gains on disposal of other non-current financial assets	2,152	-
After crediting:		
Interest income	151	793
Foreign exchange gains	116	-
Gains less losses arising from derivative products	110	-
Provisions on current investments	9,716	15,196
Provisions on other non-current financial assets	2,882	-
Gains less losses on disposal of other non-current financial assets	-	21,139

The total cost of services rendered for the period was US\$2,535,000 (1999: US\$9,807,000).

5. (Losses)/Profits on Sale of Interests in Associated Companies

The loss on sale of interest in associated company in the current period relates to the sale of shares in Regent Europe Limited to certain of the directors of that company, as disclosed in the document sent to shareholders on 20 April 2000. The profit on sale of interest in associate in the comparative period relates to the sale of 40% of the Group's interest in Regent Securities Co Ltd (then called Daeyu Regent Securities Co Ltd) to the minority shareholders in KoreaOnline Limited (then called Regent Korea Limited).

6. Profit on Deemed Disposal of Subsidiary

The profit on deemed disposal of subsidiary relates to the dilution of the Group's interest in bigsave Holdings plc (formerly BigSave.com Limited) due to the issue of further shares by bigsave Holdings plc to its minority shareholders.

7. Taxation

	For the six months ended	
	30 September	
	2000	1999
	US\$'000	US\$'000
Group:–		
Hong Kong	–	10
Overseas	3,417	7,227
	<u>3,417</u>	<u>7,237</u>

Hong Kong profits tax has been provided at 16% (1999: 16%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in overseas countries have been calculated at the rates of taxation prevailing in those countries.

Provision for profits tax of the Group's associated companies included in taxation in the profit and loss account is US\$3,387,000 (1999: US\$6,494,000).

8. (Loss)/Earnings per Share

(a) The calculation of basic loss/earnings per share is based on the net loss attributable to shareholders for the period of US\$23,961,000 (1999: profit of US\$39,231,000) and on the weighted average of 1,126,350,175 (1999: 915,375,215) shares of the Company in issue during the period.

(b) The calculation of diluted loss/earnings per share is based on the net loss attributable to shareholders for the period of US\$23,961,000 (1999: profit of US\$39,231,000) and on the weighted average of 1,132,978,163 (1999: 959,165,370) shares, being the weighted average number of shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares.

9. Investments Relating to Financial Business

Investments relating to the Group's financial business can be analysed as follows:–

Other non-current financial assets

	30 September 2000
	US\$'000
Investment securities:	
Listed equity securities	1,292
Unlisted equity securities	3,184
	<u>4,476</u>
Other investment securities:	
Listed equity securities	5,736
Unlisted equity securities	12,242
	<u>22,454</u>
Investment securities:	
Corporate entities	4,476
	<u>4,476</u>
Other investment securities:	
Corporate entities	17,978
	<u>22,454</u>

Current investments

	30 September 2000
	US\$'000
Other investment securities:	
Listed equity securities	205
Unlisted equity securities	1,156
	<u>1,361</u>
Other investment securities:	
Banks and other financial institutions	5
Corporate entities	557
Others	799
	<u>1,361</u>

Listed securities are shown at their market value on the balance sheet date.

10. Debt Securities Relating to Financial Business

There are no debt securities within investments in note 9.

11. Cash and Bank Balances

Cash and short-term funds relating to the financial business of the Group can be analysed as follows:-

	30 September 2000 <i>US\$'000</i>
Cash and balances with banks and other financial institutions	2,293
Money at call and short notice	509
	<hr/>
Cash and bank balances in relation to financial businesses	2,802
Other bank deposits	5,622
	<hr/>
	<u>8,424</u>

12. Accounts Receivable

	30 September 2000 <i>US\$'000</i>	31 March 2000 <i>US\$'000</i>
Current	2,880	23,768
1 to 3 months old	6	1,660
More than 3 months old but less than 12 months old	46	547
	<hr/>	<hr/>
Total debtors and bills receivable	<u>2,932</u>	<u>25,975</u>

The Group applies credit policies appropriate to the particular business circumstances concerned.

13. Accounts Payable, Accruals and Other Payables

	30 September 2000 <i>US\$'000</i>	31 March 2000 <i>US\$'000</i>
Due within one month or on demand	808	14,228
Due after 1 month but within 3 months	204	41
Due after 3 months but within 6 months	5	228
	<hr/>	<hr/>
Total creditors and bills payable	1,017	14,497
Accruals and other payables	1,972	17,175
	<hr/>	<hr/>
	<u>2,989</u>	<u>31,672</u>

14. Share Capital

a. Shares

	30 September 2000 <i>US\$'000</i>	31 March 2000 <i>US\$'000</i>
<i>Authorised:</i>		
2,000,000,000 ordinary shares of US\$0.01 each and 86,728,147 unclassified shares of US\$0.01 each which may be issued as ordinary shares or as non-voting convertible deferred shares of US\$0.01 each	20,867	20,000
<i>Issued and fully paid:</i>		
1,100,174,288 ordinary shares of US\$0.01 each and 86,728,147 non-voting convertible deferred shares of US\$0.01 each	11,869	9,268

The following numbers of shares were issued and allotted during the six months ended 30 September 2000:–

- (i) an aggregate of 41,223,965 ordinary shares were issued and allotted for a total consideration of HK\$51,881,159.30 (or approximately US\$6,663,000) upon exercise of options pursuant to the employee share option scheme of the Company (the “iRegent Share Option Scheme”);
- (ii) 134,620,213 ordinary shares and 86,728,147 non-voting convertible deferred shares were issued and allotted on 17 May 2000 as consideration for the acquisition by the Company of 41,500 shares in Interman Holdings Limited upon completion of a sale and purchase agreement dated 15 March 2000 (as novated by a novation deed dated 5 April 2000 and further amended by a supplemental agreement dated 15 May 2000); and
- (iii) 5,000 ordinary shares were issued and allotted on 31 July 2000 upon exercise of the subscription rights attaching to the Warrants 2003 at the subscription price of HK\$2.80 per share.

An aggregate of 2,513,000 shares were repurchased by the Company on the Stock Exchange during May 2000 at the highest and lowest prices of HK\$1.55 and HK\$1.39 per share respectively. The aggregate consideration paid for such repurchases amounted to HK\$3,738,475.60 (or approximately US\$480,000). The repurchased shares were cancelled upon repurchase. Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium and brokerage expense payable on repurchase was charged against share premium. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to capital redemption reserves.

b. Warrants (“Warrants 2003”)

On 9 June 2000, the Company issued and allotted, by way of bonus, an aggregate of 237,882,087 units of registered warrants exercisable during the period from 9 June 2000 up to and including 30 June 2003, both days inclusive, at an initial subscription price of HK\$2.80, subject to adjustment, for each share of US\$0.01 in the Company to its shareholders whose names appeared in its Register of Members at 9:00 a.m. on 17 May 2000 in the proportion of one unit of warrant for every five shares in the Company then held.

5,000 ordinary shares were issued and allotted on 31 July 2000 upon exercise of the subscription rights attaching to the Warrants 2003 at the subscription price of HK\$2.80 per share.

c. Share options

Under the terms of the iRegent Share Option Scheme approved by the shareholders on 24 July 1996 and as amended on 27 May 1998 and deemed to have commenced on 15 July 1994 to replace and succeed two previous share option schemes of the Company (which had both commenced on 15 July 1994 and which both lapsed on 2 July 1996), the directors of the Company may at their discretion invite employees, including directors, to take up options to subscribe for shares of the Company at any time during the 10 years from the date of the scheme’s approval.

During the six months ended 30 September 2000, options in respect of 41,223,965 (1999: 3,016,665) shares were exercised and options in respect of 2,825,000 (1999: 33,350,005) shares lapsed. Options in respect of an aggregate of 2,500,000 (1999: Nil) shares were granted. As at 30 September 2000, the Company had outstanding share options entitling the holders to subscribe in stages from the respective dates of grant for a period of 60 months for an aggregate of 6,931,714 (1999: 11,883,320) ordinary shares of US\$0.01 each at exercise prices ranging from HK\$1.00 to HK\$1.91 per share. Exercise in full of such share options would result in the issue of 6,931,714 additional ordinary shares of US\$0.01 each for aggregate proceeds, before expenses, of approximately HK\$9,310,356 (or approximately US\$1,194,000).

Subsequent to 30 September 2000, options in respect of an aggregate of 22,770,000 shares were granted at exercise prices ranging from HK\$0.60 to HK\$1.06 per share. Besides, options in respect of 919,730 shares lapsed. Accordingly, as at the date of this interim report, the Company has outstanding share options entitling the holders to subscribe for an aggregate of 28,781,984 shares at exercise prices ranging from HK\$1.00 to HK\$1.91 per share.

The maximum number of shares in respect of which options may be granted under the iRegent Share Option Scheme when aggregated with any securities subject to any other scheme may not exceed 10% of the issued share capital of the Company from time to time. The maximum number of shares in respect of which options may be granted to any one employee shall not exceed 25% of the maximum number of shares in respect of which options may be granted under the share option scheme.

The board of directors may impose restrictions on the exercise of subscription rights and the exercise price is to be determined by the directors in their absolute discretion provided that in no event shall such price be less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of the grant of the option.

15. Reserves

	Retained Profits <i>US\$'000</i>	Share Premium <i>US\$'000</i>	Capital Redemption Reserve <i>US\$'000</i>	Goodwill Reserve <i>US\$'000</i>	Foreign Currency Exchange Reserve <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 April 2000	63,800	65,756	1,179	(25,893)	4,194	109,036
Excess of amount received over the par value of shares issued by the Company	–	49,539	–	–	–	49,539
Excess of amount paid over the par value of shares repurchased	–	(455)	–	–	–	(455)
Transfer from retained profits in respect of repurchases of shares	(25)	–	25	–	–	–
Movement on goodwill	–	–	–	(64,901)	–	(64,901)
Foreign currency translation adjustment	–	–	–	–	(1,350)	(1,350)
Loss for the period	(23,961)	–	–	–	–	(23,961)
Goodwill transferred on dividend distribution	(5,794)	–	–	5,794	–	–
	<u>34,020</u>	<u>114,840</u>	<u>1,204</u>	<u>(85,000)</u>	<u>2,844</u>	<u>67,908</u>
At 30 September 2000	<u>34,020</u>	<u>114,840</u>	<u>1,204</u>	<u>(85,000)</u>	<u>2,844</u>	<u>67,908</u>

The increase in share premium as stated above comprises US\$43,300,000 resulting from the acquisition of Interman Holdings Limited and US\$6,200,000 due to exercise of share options and warrants.

The increase in goodwill reserve includes goodwill of US\$36,400,000 in relation to the acquisition of Interman Holdings Limited and US\$27,500,000 on the re-organisation of Regent Insurance Co Ltd within KoreaOnline Limited. Goodwill of US\$5,794,000 was transferred between retained profits and goodwill reserves consequent on the distribution of Regent Europe Limited. This goodwill arose on the original acquisition of the companies which were transferred to Regent Europe Limited by way of a dividend in specie, as reflected in the financial statements for the year ended 31 March 2000.

16. Notes to the Consolidated Cash Flow Statement

Reconciliation of operating loss from core activities to net cash outflow from operating activities

	For the six months ended	
	30 September 2000	
	<i>US\$'000</i>	<i>US\$'000</i>
Operating loss from core activities		(22,539)
Interest income		(151)
Depreciation		278
Unrealised gain on foreign exchange contracts and current investments		(9,716)
Loss on disposal of fixed assets		28
Share of losses of associates and subsidiaries under temporary control		21,628
Loss on disposal of current investments		10,690
Loss on sale of other non-current financial assets		2,152
Unrealised gain on other non-current financial assets		(2,882)
		<u>(512)</u>
Decrease in accounts receivable	19,077	
Movement on receivables on acquisition, distribution and sale of subsidiaries	(2,774)	
		<u>16,303</u>
Overall decrease in accounts receivable		16,303
Decrease in prepayments, deposits and other receivables	380	
Movement on prepayments, deposits and other receivables on acquisition, distribution and sale of subsidiaries	2,071	
		<u>2,451</u>
Overall decrease in prepayments, deposits and other receivables		2,451
Decrease in accounts payable, accruals and other payables	(27,302)	
Movement on accounts payable, accruals and other payables on acquisition, distribution and sale of subsidiaries	5,190	
		<u>(22,112)</u>
Overall decrease in accounts payable, accruals and other payables		(22,112)
Net cash outflow from operating activities		<u><u>(3,870)</u></u>

17. Commitments

	30 September 2000
	<i>US\$'000</i>
Operating lease commitments during the next twelve months are as follows:	
Property, expiring:	
Within one year	87
In the second to fifth years, inclusive	602
	<u>689</u>

18. Contingent Liabilities

As at 30 September 2000, bigsave Holdings plc had issued standby letters of credit totalling GBP230,000 (US\$339,000). No draw down had been made on these facilities and they were backed by GBP230,000 cash held in a blocked account.

19. Derivatives

As at 30 September 2000, Alphorn Management Limited had entered into exchange rate contracts with a net aggregate nominal value of US\$3,245,500. The market value of these contracts at that date was US\$3,200,053. Realised gains on exchange contracts during the period were US\$110,300.

20. Changes in Group Structure

The financial statements for the period to 30 September 2000 reflect a number of structural changes to the Group as indicated in a circular sent to shareholders on 20 April 2000 and reflected by means of an unaudited proforma on page 59 of the published financial statements as at 31 March 2000.

The proforma set out the anticipated effects of:-

- Acquisition of Interman Holdings Limited
- Distribution of controlling interest in Regent Europe Limited
- Acquisition by KoreaOnline Limited of a controlling interest in Regent Insurance Co Ltd
- Issue of new shares pursuant to the exercise of options

Interman Holdings Limited was acquired on 16 May 2000 and, contrary to the presentation adopted in the proforma, has been fully consolidated. Its major investment bigsave Holdings plc was originally expected to be treated as a long term investment but the board has decided it would be more appropriate to consolidate its figures fully. In accordance with generally accepted accounting practice, the overall consideration for the transaction has been restated based on HK\$1.60 per share, the price ruling on completion, rather than the HK\$2.80 per share used when the transaction was originally announced. This leads to a share premium account increase of US\$43,300,000.

Regent Europe Limited shares were distributed as a dividend as indicated in the same document. Accordingly on 31 May 2000, the Regent Europe Limited group of companies ceased to be subsidiaries and became an associated company.

21. Post Balance Sheet Events

In November 2000, an associate of KoreaOnline Limited, Regent Merchant Bank, suffered from adverse publicity. The publicity led to a run on the deposits of the bank. KoreaOnline Limited Management has been working with the Korean authorities and investors/depositors to resolve the difficult situation. iRegent's financial interest in Regent Merchant Bank is limited to approximately US\$15m, representing its effective interest in the bank.

On 4 December 2000, the Group has reached an agreement in principle with Regent Europe Limited ("REL") whereby REL will buy back 122,299,757 of its shares (representing 10.28% of REL's issued share capital) from the Group at a price of HK\$0.20, for a total proceeds of US\$3,135,891. Following the cancellation of these shares, the Group's holding will be 122,299,756 shares (representing 11.46% of REL's issued share capital after cancellation). Accordingly, REL will cease to be accounted for as an associate from the date of completion of the transaction. The balance of the shares are the subject of a put option giving the Group the right, but not the obligation, to place the remaining shares with REL for cancellation in December 2001 at HK\$0.25 per share, equivalent to US\$3,919,864 at current exchange rates.

22. Reclassification of Comparative Figures

Certain comparative amounts, for example turnover, have been reclassified to conform with the new SSAP25 interim report presentation requirements. In addition, extra line items have been included on the face of the consolidated profit and loss account and balance sheet as required by SSAP1 (revised) "Presentation of financial statements" and comparative figures have been reclassified accordingly.

REVIEW AND PROSPECTS

iRegent Group Limited is positioned as a leading private equity investor in Asia, managing pools of capital in which it is itself a significant investor. In the results the key elements investors should focus on are the underlying value of the attributable interest in the pools of private equity, as well as the development of the fund management businesses. In both these respects progress is being made.

During the period, there were three pools of private equity – KoreaOnline Limited ("KOL"); Interman Holdings Limited ("Interman"); and a series of Asian specific funds.

The completion of the acquisition of Interman, the divestment of the bulk of the Group's stake in iRegent's European operations and the reorganisation of iRegent's Korean affiliate, KOL, mean that the interim results are not comparable to those of the past. More details of the changes can be seen in the Management Discussion and Analysis. However, a loss of US\$24m after tax and minority interests (1999: profit of US\$39.2m) has

resulted. A substantial part of this relates to KOL. Further analysis can be found in the Management Discussion and Analysis section of this report. The directors of the Company have decided not to pay an interim dividend (1999: US\$1.0296 cents). Any decision on a final dividend must wait until the board can assess the overall result and cash flow requirements at the time.

Further details about the major business areas of the Group follow, authored by those who are responsible for them within the management structure.

David F. J. Paterson

iRegent Group Limited

Following the acquisition of Interman and the distribution of Regent Europe Limited (“Regent Europe”), the nature of the Group’s operation has undergone a significant change. iRegent is now primarily an Asian specialist investment manager, with a clear focus on private equity and financial investments.

In the continuous search for and strengthening of iRegent’s business, we have identified the US and Europe as a key focus, both for sources of investment funding and opportunities to bring advanced technologies to Asia. We have made a significant effort in building up our management team in all key aspects of our operations. These include the addition of Anthony Fasso to head up global marketing, Ben Schofield as the Chief Technology Officer, Mark Child to lead corporate finance services and Thomas Pang as the Chief Financial Officer.

The generally weak outlook for the Asian markets has made performance and development in this focus area rather slower than we would have hoped. This is particularly true in Korea where iRegent Group has a significant investment in an associated company, KOL. On top of developing the technology platform for the KOL group of financial services operators, they have devoted significant resources in the restructuring and streamlining of the operations of the subsidiaries.

Subsequent to the period under review, Regent Merchant Bank experienced liquidity difficulties brought about by allegations of improper lending to a shareholder of KOL. iRegent’s financial interest in Regent Merchant Bank is limited to approximately US\$15m, representing its effective interest in the bank. However, the whole incident may have an adverse impact on the reputation of the other KOL businesses.

The change in market sentiment toward internet investment specifically and technology stock generally, is another factor of significance. Through the acquisition of Interman, iRegent has interests in a number of technology start-up companies which have demonstrated great potential. Apart from a few investments which have either listed or have a strong aspiration for listing on NASDAQ, GEM, AIM or a similar stock market, there has been little change in this focus. However, iRegent has been prudent with its investment in these companies. Specialist investment managers are monitoring the operations and performance of these companies closely.

Alec Tsui

Asian Investment Management Report

In contrast to the bullish market last year, the six months to 30 September 2000 were very weak for Asian markets. This in turn meant that the trading environment for the Investment Management business was more difficult than in the earlier period. Market weakness followed the NASDAQ bear market from the spring, initially in the Internet sector, then in the semiconductor sector. A series of profit warnings from the likes of Nokia, Motorola, Dell and Intel caused a further worsening in outlook while the higher oil price also burdened a region dependent on imported raw materials.

iRegent’s funds were not immune to these regional and global events. Cash positions were raised while holdings in the TMT sector were reduced. However, the portfolios remained net long, so it was inevitable that their net asset values have reduced as a result. Korean and Hong Kong positions were hedged but the large Taiwanese weightings counted against us. However, our investors have been loyal to us, our relative performance has been good and outflows have been negligible. We thank our investors who have continued to support the Group.

Julian Mayo

New Products and Initiatives

The Group plans to work with US-based private equity and venture capital firms to assist their performance utilising our expertise and knowledge of Asia. It is hoped that such initiatives will see iRegent as the Asian sub-advisor for a variety of such funds.

Building up the Asian Private Equity area is one of our key focus areas for 2001. The funds will be managed by our specialist Private Equity division, Regent Pacific Partners. The rationale for launch of these new funds is to capitalise on iRegent's experience in its co-investment initiatives, such as the big-ticket private equity investment in Korea, KoreaOnline Limited.

We have recently established a new Lifesciences investment operation in the UK. This new business will be launching a Lifesciences Private Equity fund, with the initial focus being investment into UK and European companies specialising in the commercialisation of the Human Genome. We believe the launch of this new fund is a world first and we have already received indications of solid demand from prospective investors, particularly in Asia.

We also look to develop a range of smaller Private Equity funds which will be designed to establish iRegent's position as a "technology bridge into Asia" for US and European technology projects.

We are also stepping up our penetration into the sub-advisory area for our Asian Asset Management activities, to capitalise on our expertise built up over the past two years. We expect to announce some new mandates shortly. Particular emphasis is being placed on Japan and the USA.

Anthony Fasso

Corporate Finance Services

The Group has reorganised its corporate finance capability. This is an important service iRegent provides to its affiliate companies (whether subsidiaries or held as investment stakes), in addition to the provision of capital and management expertise. The Group provides ongoing advice to these companies and conducts private placements. During the period, the Corporate Finance team advised KoreaOnline Limited on the acquisition and structured the recapitalisation of Regent Insurance Co Ltd, and also advised on the acquisition of Ileun Securities Co Ltd ("Ileun Securities"). The new capital committed to these transactions was approximately US\$180m.

Mark Child

KoreaOnline Limited

KoreaOnline Limited is the largest of iRegent Group's private equity stakes. At 30 September 2000 it was 46% owned by iRegent but this has now dropped to 40% on a diluted basis following the Ileun Securities acquisition. iRegent will continue to assist and advise the management of KOL. The "Bricks, Calls and Clicks" financial services model encompasses asset management, securities trading, non life insurance and banking.

Regent Insurance Co Ltd was re-capitalised in June with a rights issue totalling US\$78m. We have now put new management in place, the balance sheet has been stabilized and we have cut loss ratios. Performance of the company during the period has been substantially impacted by the inherited book of high loss ratio business, due to higher claims paid and additional reserves to provide for future claims. The recent Korean stock market depression also reduced investment income in the period. A substantial restructuring programme is currently underway which is targeted at transforming the infrastructure as well as the operations of the company. Further recapitalisation of the company of approximately US\$70m in total will be necessary before the end of the financial year to enable completion of the restructuring which will last for about 18 months. The company is still operating at a loss although internal projections foresee breakeven at some time in the first half of 2001.

Regent Securities Co Ltd (“Regent Securities”), the first investment by the KOL group, announced strong results for financial year to 31 March 2000. Market conditions in Korea have deteriorated significantly in the second and third quarters of this calendar year. Commission revenues have suffered as a result. Regent Securities however operates with low leverage and a relatively low direct exposure to equities. KOL has taken advantage of recent market weakness to increase its holding in Regent Securities.

The acquisition of Ileun Securities was completed on 15 November 2000. Ileun Securities generates 70% of its turnover online compared with 25% at Regent Securities. Ileun Securities’ online trading system is ranked in the top 8 out of the 34 securities companies in Korea. Importantly, Ileun Securities also has a full proprietary customer relationship management capability whereas most online securities companies in Korea rely on the government owned centralised trading system. Ileun Securities also has substantial cash reserves in its balance sheet.

The combination of Ileun Securities and Regent Securities gives KOL a solid position in the securities sector with a market share of 3-4 %, making the KOL group 9th in turnover in the Korean securities market. New management is being introduced to both businesses to manage the synergies and opportunities presented by the combination of both securities businesses.

Regent Merchant Bank is, together with the whole of the banking sector in Korea, under pressure. Although Regent Merchant Bank is not a retail bank, it is affected by the imminent removal of full guarantees on all retail banking deposits and by the generally depressed economic situation in the country. Despite having, at 22%, the highest BIS ratio in the industry as at 30 September 2000 it is still a small bank and depositor confidence will remain a challenge for management.

Subsequent to the period under review, the bank experienced liquidity difficulties brought about by allegations of improper lending to a shareholder of KOL. Management of KOL had been aware of the situation since May 2000 and has been actively working with regulators on this matter. Nevertheless, depositors withdrew approximately 42% of the deposits in three trading days between 25 November and 28 November. KOL management has been working with the Korean authorities and potential investors/depositors to resolve this difficult situation. This incident may have an adverse impact on the viability of Regent Merchant Bank and therefore the reputation of other KOL businesses.

Regent Asset Management Ltd is now developing a solid fixed income capability in addition to its existing equity management skills and will be well positioned to take advantage of the impending deregulation and improvements in market sentiment.

Beyond these current businesses, KOL also continues to explore other opportunities and develop joint ventures which offer synergies with our existing businesses.

Robin Willi

Interman Holdings Limited

iRegent’s investments in the technology, software and Internet space were given increased focus in May 2000 through the acquisition of Interman Holdings Limited. Out of over twenty technology start-up investments, three have obtained a listing in the past six months, techpacific.com Limited; Netease.com Inc.; and Musicunsigned Holdings plc.

The principal asset in the Interman portfolio is bigsave Holdings plc which is a subsidiary of the Group.

Significant progress is being made by other Interman investments and listed below are those in which Interman has an interest of at least 15%. The team involved with the Interman investments remains optimistic despite the difficult conditions.

Homeport, an intelligent delivery solution, has signed an agreement with Sainsbury’s, a leading supermarket chain in the United Kingdom, to trial unattended delivery boxes for Sainsbury’s home delivery customers.

LondonArt, sells contemporary art over the Internet. The company has recently extended its product offering to include sculpture and photography and continues to show steady sales growth.

UBQT Media, produces digital media middleware relevant for the entertainment industry and is developing efficient control of digital media which will be key for the new infrastructure of broadband and 3G mobile technologies.

iFuture Inc. & AstroEast.com Limited, provide astrology based technology and content to English and Asian language audience. In October iFuture Inc. signed a deal with Star Media, a leading Internet media company in the Latin American market.

Techpursuit.com Holdings Limited, is a Pan Asian technology recruitment and executive search company. The business is expanding across the region and intends to open an office in Korea early 2001.

Karin Schulte

bigsave Holdings plc

bigsave Holdings plc (“bigsave”) became a subsidiary of the Group in May 2000 when iRegent purchased its parent company Interman Holdings Limited. The iRegent Group currently own 65% of bigsave.

bigsave is an on-line retailer with several sites in the UK, offering a broad selection of products and services at competitive prices. The principal English language site is www.bigsave.com and this provides the entry point to the shopping experience. The website currently offers 9 product categories with in excess of 200,000 products. It is however the service offerings that are more likely to represent the principal profit driver for the company in the future. An e-commerce travel business has been operating since June 2000 and has its own website at www.bigsavetravel.com. The initial activity being generated by this business is encouraging.

As well as its own websites, bigsave has also created an affiliate programme where we create websites for other companies (“affiliates”). The sites are either co-branded as bigsave and the affiliate, offering access to the whole of bigsave’s site or are a sector of the site relevant to that affiliate. bigsave has also experimented in leveraging its fulfilment platform by expanding into selling via TV and via off-the-page advertisements. A three month pilot of bigsaveTV was run from August to October 2000, and an agreement has been reached with ONDigital’s Onnet service to be a shopping partner. Hopes are high that this initiative will develop profitably.

Additionally, a service offering, paymonthly, is in the course of development at present. It is envisaged that this will offer consumers a billing aggregation service that will cover their payments to the service providers that they sign up as partners to the site. Paymonthly will also provide a B2B offering. This will offer the service providers that sign up with paymonthly the ability to cross market their services to the customers of other service provider partners on a non-compete basis. Paymonthly will earn commissions for the introduction of business to its partners.

bigsave operates with a December year end and unaudited turnover in the 9 months to 30 September stood at GBP2.33m (1999: GBP0.37m), with the net loss for this period being GBP6.81m (1999: GBP2.83m). The results of the Group reflect only that period since bigsave became a subsidiary. The major expenses incurred are on advertising and staff costs in the development of the platform.

During the past 9 months bigsave has undertaken further rounds of pre-IPO financing, raising a total of US\$11.8m, with the last of these fund raisings having taken place in July and August 2000. At present bigsave has sufficient cash for its anticipated needs for the next two years.

Ian Wilson

Regent Europe Limited

The Eastern European activities of the Group were largely distributed to shareholders at the beginning of June by way of dividend. As a result the Group retains only a modest interest in Regent Europe as an associated entity. As the Group’s focus continues to change, this stake will be disposed of at the earliest possible opportunity. Subject to regulatory approval, it has already been agreed that half of the stake will be repurchased for cancellation. Nevertheless it remains a modest profit contributor to the Group both for the period of two months whilst it remained a subsidiary and in the balance of the period under review as an associate.

As with the fund management side of the Group, Regent Europe has been developing its private equity businesses with acquisitions of further controlling stakes in Croatian banks to go alongside the Bulgarian bank that it already operates. Further opportunities in both of these countries plus others in the region are currently being examined. Whilst it remains early days, we are hopeful of good progress.

The other fund management activities of the Regent Europe group have suffered from both the poor performance of the region in stockmarket terms and a continuing unwillingness amongst investors generally to consider this region for portfolio investments. To some extent these two factors go hand in hand but we confidently expect that this situation will reverse itself soon and, when it does, those managers with an operation in place should be well placed to reap the rewards.

Further contacts both in the United States and continental Europe offer promising potential as medium term sources of new assets under management but, in the short term, increases are unlikely.

Eastern Europe has to be viewed as a long term proposition and whilst we remain convinced it is structurally undervalued, we believe it will take some time for that to be recognised.

Jayne Sutcliffe

Summary

As can be seen from the reports above, the Group remains active in its chosen sectors of activity despite the setbacks in Korea and the general bear market in technology related investment. A good base has been built from which to continue to take advantage of opportunities. Whilst the problems in Korea cannot be underestimated, it is hoped that the damage to the Group's associate, KOL, will be contained within the next few months so that the Group's continuing investment programme can be maintained.

David F. J. Paterson

INTERIM DIVIDENDS

The directors of the Company have resolved not to declare an interim dividend for the six months ended 30 September 2000 (1999: US1.0296 cents).

TRADING RECORD OVER LAST FIVE YEARS

US\$'000	Six months ended 30 September		Year ended 31 March			
	2000	2000	1999	1998	1997	1996
Turnover	<u>11,597</u>	<u>54,658</u>	<u>(32,197)</u>	<u>126,843</u>	<u>59,072</u>	<u>34,186</u>
Turnover less expenses	(911)	14,725	(54,700)	78,527	35,929	20,263
Share of profits/(losses) of associated companies	<u>(21,628)</u>	<u>32,178</u>	<u>4,251</u>	<u>(398)</u>	<u>(1,723)</u>	<u>(1,688)</u>
Operating profit/(loss) on core activities	(22,539)	46,903	(50,449)	78,129	34,206	18,575
Profits/(Losses) on sale of interests in associates and subsidiaries under temporary control	(1,070)	57,325	1,174	(239)	48	3,424
Profits/(Losses) on disposal of subsidiaries	<u>2,005</u>	<u>(5,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating profit/(loss) from ordinary activities	(21,604)	98,843	(49,275)	77,890	34,254	21,999
Finance costs – interest on bank overdrafts	<u>(154)</u>	<u>(462)</u>	<u>(688)</u>	<u>(454)</u>	<u>(366)</u>	<u>-</u>
Profit/(Loss) on ordinary activities before taxation	(21,758)	98,381	(49,963)	77,436	33,888	21,999
Taxation	<u>(3,417)</u>	<u>(12,283)</u>	<u>(1,090)</u>	<u>(1,679)</u>	<u>(1,496)</u>	<u>(437)</u>
Profit/(Loss) after taxation	(25,175)	86,098	(51,053)	75,757	32,392	21,562
Minority interests	<u>1,214</u>	<u>(534)</u>	<u>764</u>	<u>(2,037)</u>	<u>(1,565)</u>	<u>(64)</u>
Net profit/(loss) attributable to shareholders	<u>(23,961)</u>	<u>85,564</u>	<u>(50,289)</u>	<u>73,720</u>	<u>30,827</u>	<u>21,498</u>
Capital and reserves	<u>82,377</u>	<u>118,358</u>	<u>107,025</u>	<u>150,352</u>	<u>69,420</u>	<u>59,017</u>

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

Revenue and Profits

The Group recorded a loss after tax and minority interests of US\$24m (1999: profit of US\$39.2m) in the period to 30 September 2000. As indicated in the review and prospects section, these figures are not strictly comparable as the nature of the Group has changed in the intervening period. Most notably the Group has (1) distributed through dividends to shareholders 80% of its holding in the Eastern European business of Regent Europe Limited, (2) acquired the whole of Interman Holdings Limited, including the 65% owned subsidiary, bigsave Holdings plc and (3) through the Korean associate, KoreaOnline Limited, acquired a number of business interests, notably in merchant banking and insurance, which it did not have in the comparative period.

The loss is primarily related to activities in Korea through KOL which was responsible for US\$24.8m in post tax losses. There were a number of reasons for this loss including the impact of inherited book of high ratio business and restructuring costs within Regent Insurance Co Ltd, additional costs of developing an e-commerce platform for the Korean operations and the effect of structural problems within the Korean economy generally which led to depressed operating conditions for financial services. During the corresponding period last year the Group recorded profits both from its stake in the local operating businesses, now part of KOL, and from the profitable disposal of part of its stake in the businesses when KOL was created.

Additionally the Group has recorded losses of approximately US\$2.4m, net of minority interests, from ownership of its internet retailing subsidiary, bigsave Holdings plc. Ownership of this entity commenced in May 2000 and losses of this level were fully anticipated at the time of purchase.

Other activities of the Group including asset management, particularly in private equity, and the holding of stakes in technology related enterprises produced a small profit after taxation of US\$3.2m.

Costs

As stated in the annual report, the Group has always taken care to keep its operational costs as low as possible, conducive with efficient operations. At the end of the period under review the number of employees involved with wholly owned core business amounted to 42. The bigsave group, whose results are consolidated, employed 70. A bonus scheme is operated for the core staff based on a percentage of profits earned. No provision for bonuses has been made for the period.

Steps are being taken to develop the number and skills of core staff available to the Group. This will increase personnel costs but is expected to assist the Group in earning greater revenues from its asset management activities and technology related enterprises in the future.

Balance Sheet

The greatest single investment of the Group is its stake in KOL which was responsible for some 43% of the total shareholders funds based upon the Group's accounting policies.

The majority of the remaining Group assets comprise 25 technology related investments. These are also held as part of the Group's activity of assisting in the development of e-commerce platforms.

The Group has no borrowings at the date of the balance sheet which is in keeping with the directors' stated policy. Lines available to the Group were unchanged during the period. Subsequent to the end of the period, US\$8.5m was loaned to KOL, out of which US\$8.2m is from the proceeds of a loan drawn down by iRegent.

Changes to Investments

The distribution of Regent Europe Limited, as an in specie alternative to a cash dividend, was completed in June 2000. The total amount of the dividend, which was accrued in last year's annual financial statements, was US\$23.3m. The calculation of the dividend is based on the relative proportions of those shareholders who chose HK17 cents of tangible value by taking an in specie distribution and those who took HK12 cents in cash. The purchase arrangements in respect of the dividend to which certain directors were parties, as outlined in the circular to shareholders, gave rise to a loss of US\$1.1m which has been charged to profit and loss account. This represents the difference between HK17 cents and HK12 cents on those shares involved. Accordingly, the total reduction in shareholders funds was US\$24.4m. If all shareholders had chosen the in specie alternative, the maximum amount would have been US\$25.9m.

The acquisition of Interman Holdings Limited in May 2000 brought a broadly based portfolio of e-commerce ventures within the ownership of the Group. Allowing for changes to the purchase consideration for accounting purposes based on a revised share price for the Group as disclosed in note 20, the overall value of the purchase was US\$45.5m of which US\$36m has been transferred to goodwill reserves.

Details of these transactions were circulated to shareholders on 20 April 2000.

KOL is committed to the development and publicity of its website. Additionally it has invested in recapitalising and reorganising Regent Insurance Co Ltd, its general insurance subsidiary. As a result of the recapitalisation which increased the Group's ownership in Regent Insurance Co Ltd from 47.2% to 83.5%, US\$27.5m has been charged to the goodwill reserves of the Group.

Future Funding

There are no material charges against Group assets. As at 30 September 2000, the Group sustained no borrowing and therefore had no gearing or material exposure to foreign exchange rate fluctuations from borrowings at that date. However US\$8.2m has been drawn down against an overdraft facility subsequent to the period end.

KOL has subsidiaries which borrow on a secured and unsecured basis from time to time. At 30 September 2000, total borrowings in KOL's consolidated balance sheet were US\$78.3m.

It is possible that businesses which are either subsidiaries or associates of the Group may require funding as their businesses are developed. It is expected that the bulk of such funding will be obtained from external sources but, dependent upon amount and duration, it may be that funding will be made available by the Group from its internal resources or bank borrowings.

MANAGEMENT OF RISKS

The change in the nature of the Group's activities means that its primary risk is linked to the operations and market exposures of its subsidiaries and associates. In KOL's case, the exposure is to the Korean economy, its credit market and its equity markets. The responsibility for management of these risks rests with KOL management. iRegent will monitor its exposure through working closely with KOL management.

Through Interman's investments 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 has not taken any currency hedge against the investments in Korea and through Interman. This is because it has taken a long term view and a hedge against such positions would not be cost effective.

In general terms, the Group will operate both equity market and currency hedges from time to time partly for hedging purposes and partly 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 2000, the amount of these margin deposits was US\$1,048,000 (31 March 2000: US\$771,000). Subsequent to the end of the period the underlying positions have been closed.

In terms of the total operations of the Group, activities of this nature are of limited materiality.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2000, the beneficial interests of the directors of the Company 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 pursuant to Section 28 of the SDI Ordinance and the 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

Directors	Note	Number of shares and nature of interests				Total interests
		Personal interests	Family interests	Corporate interests	Other interests	
James Mellon	A & B	34,088,500	–	–	219,467,083	253,555,583
Chang-Mo Bae (note Y)		500,000	–	–	–	500,000
Peter Everington	C & D	–	24,450,000	–	24,841,210	49,291,210
Chang-Kon Koh (note Z)		6,250,000	–	–	–	6,250,000
David McMahon	E	3,000,000	–	–	2,000,000	5,000,000
Robert Owen (note AA)		1,500,000	–	–	–	1,500,000
David Paterson	F	–	–	–	1,000,000	1,000,000
Jayne Sutcliffe	G	14,727,260	–	–	24,000,000	38,727,260
Alec Tsui		–	–	–	–	–
Anderson Whamond		5,000,000	–	–	–	5,000,000
Robin Willi (note AB)		–	–	–	–	–

b. Warrants 2003 (note H)

Directors	Note	Units of warrants and nature of interests				Total interests
		Personal interests	Family interests	Corporate interests	Other interests	
James Mellon	I	6,817,700	–	–	61,239,046	68,056,746
Chang-Mo Bae (note Y)		100,000	–	–	–	100,000
Peter Everington	J	–	4,890,000	–	4,968,242	9,858,242
Chang-Kon Koh (note Z)		1,250,000	–	–	–	1,250,000
David McMahon		1,000,000	–	–	–	1,000,000
Robert Owen (note AA)		300,000	–	–	–	300,000
David Paterson	K	–	–	–	200,000	200,000
Jayne Sutcliffe	L	2,945,452	–	–	4,800,000	7,745,452
Alec Tsui		–	–	–	–	–
Anderson Whamond		1,000,000	–	–	–	1,000,000
Robin Willi (note AB)		–	–	–	–	–

2. Securities of associated corporations

Directors	Note	Number of shares in the respective associated corporations			
		AstroEast.com Limited	bigsave Holdings plc	KoreaOnline Limited	Regent Europe Limited
James Mellon	M	–	–	–	340,283,730
Chang-Mo Bae (note Y)		–	–	–	–
Peter Everington	N & O	100,000	–	73,970	49,291,210
Chang-Kon Koh (note Z)	O	50,000	87,000	–	–
David McMahon		–	174,000	–	30,000,000
Robert Owen (note AA)	O	20,000	87,000	–	1,500,000
David Paterson	O & P	50,000	100,000	–	–
Jayne Sutcliffe	O & Q	50,000	350,000	–	138,727,260
Alec Tsui		–	–	–	–
Anderson Whamond	O	50,000	350,000	–	5,000,000
Robin Willi		–	–	–	–

3. Options of the Company

As at 30 September 2000, the following directors of the Company had personal interests in options granted under the iRegent Share Option Scheme, entitling them to subscribe for shares of US\$0.01 each in the Company in accordance with, and subject to, the terms of the scheme:–

Directors	Note	Date of grant	Number of shares subject to the option	Subscription price per share	Exercisable period
David Paterson	R	23 May 2000	1,000,000	HK\$1.600	23 May 2003 to 22 May 2005
Alec Tsui	S	–	–	–	–

During the six months ended 30 September 2000, certain directors of the Company exercised their entire rights under the respective options granted to them pursuant to the iRegent Share Option Scheme and subscribed for shares in the Company. Details of such subscriptions are set out below:–

Directors	Date of grant	Date of exercise	Number of shares subscribed	Subscription price per share	Date of allotment
Chang-Mo Bae (note Y)	7 December 1999	21 April 2000	500,000	HK\$1.400	28 April 2000
Chang-Kon Koh (note Z)	30 September 1999	18 April 2000	2,500,000	HK\$1.180	19 April 2000
			2,500,000	HK\$1.400	19 April 2000
David McMahon	5 October 1999	10 April 2000	2,000,000	HK\$1.180	18 April 2000
			3,000,000	HK\$1.400	18 April 2000
Robert Owen (note AA)	28 September 1999	31 March 2000	1,500,000	HK\$1.180	26 April 2000
Anderson Whamond	5 October 1999	8 April 2000	3,000,000	HK\$1.180	25 April 2000
			2,000,000	HK\$1.400	25 April 2000

4. Options of KoreaOnline Limited

As at 30 September 2000, the following directors of the Company had personal interests in options granted under the employee share option scheme of KoreaOnline Limited (the “KoreaOnline Share Option Scheme”), entitling them to subscribe for shares of US\$0.10 each in KoreaOnline Limited in accordance with, and subject to, the terms of that scheme:–

Directors	Note	Date of grant	Number of shares subject to the option	Subscription price per share	Exercisable period
James Mellon	T	26 May 2000	287,500	US\$13.000	26 May 2001 to 25 May 2005
Peter Everington	U	19 May 2000	487,500	US\$13.000	19 May 2001 to 18 May 2005
Chang-Kon Koh (note Z)	V	–	–	–	–
Robin Willi	W	10 April 2000	585,000	US\$13.000	10 April 2001 to 9 April 2005
David Paterson	X	–	–	–	–

5. Options of Regent Europe Limited

As of 30 September 2000, Regent Europe Limited did not operate an employee share option scheme. On 4 December 2000, a scheme (the “Regent Europe Share Option Scheme”) was adopted by the company. On 6 December 2000, certain directors of the Company were granted options to subscribe for shares of US\$0.01 each in Regent Europe Limited in accordance with, and subject to, the terms of that scheme.

Jayne Sutcliffe was granted an option which entitles her to subscribe for 14,400,000 shares in Regent Europe Limited at a subscription price of US1.54 cents per share during the exercisable period from 6 December 2001 to 5 December 2005. A consideration of GBP1 was paid for the grant of such option.

David McMahon was granted an option which entitles him to subscribe for 12,000,000 shares in Regent Europe Limited at a subscription price of US1.54 cents per share during the exercisable period from 6 December 2001 to 5 December 2005. A consideration of GBP1 was paid for the grant of such option.

Notes to Directors’ Interests in Securities

- A 84,846,870 shares under “other interests” are held by the trustee of a settlement, under which James Mellon has a life interest.
- B 134,620,213 shares 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.
- C The 24,450,000 shares under “family interests” are held by Mrs Everington.
- D The 24,841,210 shares under “other interests” are held by the trustee of a discretionary trust, the beneficiaries of which include Peter Everington and members of his family.
- E The 2,000,000 shares under “other interests” are held by a pension fund, of which David McMahon is the sole beneficiary. On 8 November 2000, a further 500,000 shares were transferred from David McMahon to such pension fund.
- F The 1,000,000 shares under “other interests” are held by a trust, of which David Paterson is the sole beneficiary.
- G The 24,000,000 shares under “other interests” are held by the trustee of a discretionary trust, under which Jayne Sutcliffe and members of her family may become beneficiaries.

- H On 9 June 2000, the Company issued and allotted, by way of bonus, an aggregate of 237,882,087 units of registered warrants exercisable during the period from 9 June 2000 up to and including 30 June 2003, both days inclusive, at an initial subscription price of HK\$2.80, subject to adjustment, for each share of US\$0.01 in the Company to its shareholders whose names appeared in its Register of Members at 9:00 am on 17 May 2000 in the proportion of one unit of warrant for every five shares in the Company then held.
- I Under “other interests”, 16,969,374 units of warrants are held by the trustee referred to in note A above, and 44,269,672 units of warrants are held by Indigo Securities Limited, which is indirectly wholly-owned by such trustee.
- J The 4,890,000 units of warrants under “family interests” and the 4,968,242 units of warrants under “other interests” are held by Mrs Everington and the trustee referred to in note D above respectively.
- K The 200,000 units of warrants under “other interests” are held by the trust referred to in note F above.
- L The 4,800,000 units of warrants under “other interests” are held by the trustee referred to in note G above.
- M James Mellon has a personal interest in 34,088,500 shares in Regent Europe Limited. 84,846,870 shares and 221,348,360 shares in Regent Europe Limited are held by the trustee referred to in note A above and Indigo Securities Limited, which is indirectly wholly-owned by such trustee, respectively.
- N The 100,000 shares in AstroEast.com Limited are held by Mrs Everington.

24,450,000 shares and 24,841,210 shares in Regent Europe Limited are held by Mrs Everington and the trustee referred to in note D above respectively.

- O Following the allotment pursuant to the 2 for 1 bonus issue of shares by AstroEast.com Limited on 14 November 2000, the respective directors’ interests in AstroEast.com Limited were increased as follows:–

Directors	Note	Number of shares in AstroEast.com Limited	
		As at 30 September 2000	As at 14 November 2000
Peter Everington	N	100,000	300,000
Chang-Kon Koh (note Z)		50,000	150,000
Robert Owen (note AA)		20,000	60,000
David Paterson	P	50,000	150,000
Jayne Sutcliffe	Q	50,000	150,000
Anderson Whamond		50,000	150,000

- P The 50,000 shares in AstroEast.com Limited and the 100,000 shares in bigsave Holdings plc are held by the trust referred to in note F above, which also holds 100,000 units of Series “C” warrants of bigsave Holdings plc.
- Q The 350,000 shares in bigsave Holdings plc and 112,435,000 shares in Regent Europe Limited are held by the trustee referred to in note G above. The remaining 26,292,260 shares in Regent Europe Limited are held by Jayne Sutcliffe personally.
- R On 11 December 2000, David Paterson was further granted an option under the iRegent Share Option Scheme, which entitles him to subscribe for 1,320,000 shares in the Company at a subscription price of HK\$0.60 per share during the exercisable period from 13 December 2001 to 12 December 2005. A consideration of HK\$10.00 was paid for the grant of such option.
- S On 19 October 2000, Alec Tsui was granted an option under the iRegent Share Option Scheme, which entitles him to subscribe for 12,000,000 shares in the Company at a subscription price of HK\$1.06 per share during the exercisable period from 19 October 2001 to 18 October 2005. A consideration of HK\$10.00 was paid for the grant of such option.
- T On 26 May 2000, James Mellon was granted an option under the KoreaOnline Share Option Scheme, which entitles him to subscribe for 487,500 shares in KoreaOnline Limited at a subscription price of US\$13.00 per share during the exercisable period from 26 May 2001 to 25 May 2005.

On 22 August 2000, James Mellon gave up his rights in respect of 200,000 shares of the above option and agreed that such 200,000 shares should be made available for grant of new option(s) at the discretion of the directors of KoreaOnline Limited.

- U On 6 October 2000, Peter Everington was further granted an option under the KoreaOnline Share Option Scheme, which entitles him to subscribe for 512,500 shares in KoreaOnline Limited at a subscription price of US\$11.50 per share during the exercisable period from 6 October 2001 to 5 October 2005. A consideration of HK\$10.00 was paid for the grant of such option.
- V As Chang-Kon Koh withdrew from Korean operation of the iRegent Group, his option granted on 22 May 2000 under the KoreaOnline Share Option Scheme in respect of 487,500 shares in KoreaOnline Limited lapsed on 22 August 2000.
- W On 27 October 2000, Robin Willi was further granted an option under the KoreaOnline Share Option Scheme, which entitles him to subscribe for 415,000 shares in KoreaOnline Limited at a subscription price of US\$11.50 per share during the exercisable period from 27 October 2001 to 26 October 2005. A consideration of HK\$10.00 was paid for the grant of such option.
- X On 13 December 2000, David Paterson was granted an option under the KoreaOnline Share Option Scheme, which entitles him to subscribe for 100,000 shares in KoreaOnline Limited at a subscription price of US\$10.00 per share during the exercisable period from 13 December 2001 to 12 December 2005. A consideration of HK\$10.00 was paid for the grant of such option.
- Y Chang-Mo Bae resigned as a director of the Company on 30 November 2000.
- Z Chang-Kon Koh resigned as a director of the Company on 22 November 2000.
- AA Robert Owen resigned as a director of the Company on 24 November 2000.
- AB Robin Willi was appointed as a director of the Company on 23 November 2000. Upon his appointment, Mr Willi disclosed his personal interests in 44,000 shares in and 8,800 units of warrants of the Company.
- AC David Paterson was appointed Chairman of the board of directors of the Company on 8 December 2000.

Save as disclosed herein, as at 30 September 2000 none of the directors of the Company (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 Stock Exchange pursuant to Section 28 of the SDI Ordinance and the 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2000, James Mellon, a director of the Company, had interests in more than 10 per cent of the total issued 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 Mr Mellon's interests are set out under the section headed "Directors' interests in securities".

Save for such interests, the directors of the Company are not aware of any person being interested in at least 10 per cent of the total issued share capital of the Company as at 30 September 2000 as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2000, the Company repurchased an aggregate of 2,513,000 its own shares on the Stock Exchange. Details of such repurchases are as follows:–

Date of repurchase	Number of shares repurchased	Highest price per share paid (HK\$)	Lowest price per share paid (HK\$)
24 May 2000	457,000	1.420	1.390
25 May 2000	510,000	1.490	1.480
26 May 2000	205,000	1.490	1.470
30 May 2000	224,000	1.480	1.460
31 May 2000	1,117,000	1.550	1.480
	<u>2,513,000</u>		

The aggregate consideration paid for such repurchases amounted to HK\$3,738,475.60 (or approximately US\$480,000). The repurchased shares were cancelled accordingly.

The Warrants 2003 were issued on 9 June 2000. No warrants were repurchased prior to the date of this interim report.

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 2000, in compliance with the Code of Best Practice contained in Appendix 14 of the Listing Rules.

On behalf of the Board of
iRegent Group Limited

David F. J. Paterson
Chairman

Hong Kong, 15 December 2000