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iRegent Group Limited

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

James Mellon (*Chairman*)
Dominic Bokor-Ingram
Daniel Chan
Peter Everington
Julian Mayo (*Alternate to James Mellon*)
Karin Schulte

Non-Executive Directors:

Anthony Baillieu*
David McMahan
Jayne Sutcliffe
Anderson Whamond
Errol Williams*

* *Independent Directors*

Registered office:

Ugland House, South Church Street
George Town, Grand Cayman
Cayman Islands
British West Indies

Principal place of business:

904-906 Asia Pacific Finance Tower
3 Garden Road
Central
Hong Kong

5 September 2001

*To the shareholders and, for information only,
warranholders of iRegent Group Limited
(the "Company" and with its subsidiaries the "iRegent Group")*

**GENERAL MANDATES TO ISSUE NEW SHARES AND
TO REPURCHASE THE COMPANY'S OWN SHARES AND WARRANTS
AND RE-ELECTION OF NEWLY-APPOINTED DIRECTORS**

1. INTRODUCTION

The following general mandates granted to the directors of the Company (the "Directors") at the annual general meeting of the Company held on 18 September 2000 will expire at the conclusion of the annual general meeting of the Company for the year 2001 convened to be held on Friday, 28 September 2001 (the "2001 Annual General Meeting") provided that it is not revoked or varied before then:-

- (a) the general mandate to issue, allot and otherwise deal with additional shares of US\$0.01 each in the capital of the Company ("Share(s)") up to a maximum of 20 per cent of the then issued share capital; and

- (b) the general mandate to repurchase, on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), (i) its own Shares up to a maximum of 10 per cent of the then issued share capital and (ii) its own registered warrants ("Warrants 2003") 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 per Share, subject to adjustment, up to a maximum of 10 per cent of the then outstanding Warrants 2003.

Accordingly, the Directors have proposed Ordinary Resolutions numbered 4 and 5 at the 2001 Annual General Meeting to renew the above general mandates.

This document provides shareholders with all the information reasonably necessary to enable them to make an informed decision as to whether to vote in favour of the resolutions proposed to approve the above general mandates. Besides, this document also contains biographies of two new Directors who were appointed after the date of the Company's annual report for the year ended 31 March 2001 (the "Annual Report 2000-2001") and shall retire from office at the 2001 Annual General Meeting in accordance with Article 86(3) of the Company's Articles of Association but shall then be eligible for re-election.

2. SHARE ISSUE MANDATE

The proposed Ordinary Resolution numbered 4 set out in the notice convening the 2001 Annual General Meeting (the "2001 AGM Notice") will, if passed, grant an unconditional general mandate (the "Share Issue Mandate") to the Directors authorising them to issue, allot and otherwise deal with additional Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date when the resolution is passed (inclusive of the non-voting convertible deferred shares of US\$0.01 each in issue in the capital of the Company ("Deferred Shares")). The Share Issue Mandate, if approved at the 2001 Annual General Meeting, will expire at the conclusion of the next annual general meeting of the Company unless it is revoked or varied by a shareholders' resolution before then.

3. REPURCHASE MANDATE

The proposed Ordinary Resolution numbered 5 set out in the 2001 AGM Notice will, if passed, grant an unconditional general mandate (the "Repurchase Mandate") to the Directors authorising them to repurchase up to (i) 10 per cent of the fully paid Shares in issue (inclusive of the Deferred Shares) and (ii) 10 per cent of the outstanding Warrants 2003 as at the date when the resolution is passed. The Repurchase Mandate, if approved at the 2001 Annual General Meeting, will expire at the conclusion of the next annual general meeting of the Company unless it is revoked or varied by a shareholders' resolution before then.

As at 3 September 2001 (the "Latest Practicable Date"), being the latest practicable date prior to the printing of this document, there were 1,186,902,435 Shares (including 86,728,147 Deferred Shares) in issue and 237,877,087 units of Warrants 2003 outstanding. Accordingly, on the assumption that prior to the date of the 2001 Annual General Meeting, (1) no additional Shares will be issued, (2) no Shares will be repurchased by the Company and (3) no subscription rights attaching to the Warrants 2003 will be exercised, exercise in full of the Repurchase Mandate would result in up to 118,690,243 Shares and 23,787,708 units of Warrants 2003 being repurchased by the Company during the Relevant Period (as defined in the proposed Ordinary Resolution numbered 5 in the 2001 AGM Notice).

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the laws of the Cayman Islands.

(a) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders to enable the Company to repurchase its securities. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(b) Funding of repurchases

In repurchasing Shares or Warrants 2003, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the laws of the Cayman Islands. Such funds may include capital paid up on the purchased securities, profits otherwise available for dividends or the proceeds of a new issue of Shares.

If the Repurchase Mandate were exercised in full, there could be a material adverse effect on the working capital position of the Company and its subsidiaries or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the iRegent Group (as compared with the position disclosed in the audited consolidated financial statements as at 31 March 2001). The Directors therefore do not propose to exercise the Repurchase Mandate to such an extent unless the Directors determine that such repurchases are, taking account of all relevant factors, in the best interests of the Group.

(c) Dealing restrictions

In any one calendar month, the Company shall not purchase securities on the Stock Exchange more than 25 per cent of the total number of that kind of securities which were traded on the Stock Exchange in the preceding calendar month, as stated in the Stock Exchange's daily quotations sheets for the previous month. The Company shall not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

The Company may not purchase securities on the Stock Exchange at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available. In particular, unless the circumstances are exceptional, the Company should not purchase securities on the Stock Exchange during the period commencing one month immediately preceding the earlier of:-

- (i) the date of board meeting of the Company (as such date is first notified to the Stock Exchange in accordance with paragraph 12 of Appendix 7b of the Listing Rules ("Listing Agreement")) for the approval of the Company's interim or annual results for any financial year; and

(ii) the deadline for the Company to publish its interim or annual results announcement for any financial year under its Listing Agreement, and ending on the date of the results announcement.

Any purchase of Shares which would result in the number of Shares held by the public being reduced to less than 25 per cent of the Shares then in issue could only be implemented with the agreement of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding.

The Company shall not knowingly purchase securities from a connected person and a connected person shall not knowingly sell his securities to the Company, on the Stock Exchange. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates intends to sell any Shares or Warrants 2003 to the Company or its subsidiaries under the Repurchase Mandate if such mandate is approved by shareholders. No other connected persons (as defined in the Listing Rules) have notified the Company that they intend to sell Shares or Warrants 2003 to the Company or have undertaken to the Company not to do so, in the event that the Repurchase Mandate is approved by shareholders.

(d) Status of repurchased securities

The listing of all securities repurchased by a listed company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase and the corresponding certificates will be cancelled and destroyed as soon as reasonably practicable following the settlement of any such purchases. Under the Cayman Islands law, the securities so repurchased will be treated as having been cancelled.

Repurchases of Shares or Warrants 2003 will not cause any change in the authorised share capital of the Company.

(e) Repurchases of securities

During the six months immediately preceding the Latest Practicable Date, no Shares or Warrants 2003 were repurchased by the Company, either on the Stock Exchange or otherwise.

(f) **Market prices**

The highest and lowest prices at which the Shares and Warrants 2003 were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:—

Month	Shares		Warrants 2003	
	Highest traded price per Share (HK\$)	Lowest traded price per Share (HK\$)	Highest traded price per unit (HK\$)	Lowest traded price per unit (HK\$)
2000				
August	1.620	1.440	0.380	0.230
September	1.500	1.030	0.220	0.150
October	1.240	1.070	0.151	0.125
November	1.270	0.500	0.140	0.012
December	0.630	0.280	0.052	0.044
2001				
January	0.450	0.300	0.018	0.010
February	0.320	0.248	0.013	0.010
March	0.295	0.160	0.015	0.010
April	0.216	0.159	0.020	0.010
May	0.325	0.216	0.025	0.018
June	0.305	0.244	0.032	0.012
July	0.265	0.219	0.200	0.010

(g) **Takeovers Code**

If, as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder, or groups of shareholders acting in concert, could, depending upon the level of increase in shareholding interest(s), obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, according to the Register of Substantial Shareholders' Interests being kept by the Company pursuant to the Securities (Disclosure of Interests) Ordinance, the substantial shareholder of the Company, being a Director of the Company, holds a 23.32 per cent interest in the total issued voting share capital of the Company. Besides, he also holds 86,728,147 Deferred Shares. Upon full conversion of such Deferred Shares, such Director would hold a 28.92 per cent interest in the enlarged issued voting share capital of the Company. Accordingly, if either 86,728,147 Deferred Shares were fully converted into ordinary Shares or the Repurchase Mandate were exercised in full, the aforesaid Director, acting in concert with other Directors of the Company, would hold more than 35 per cent of the Company's total issued voting share capital.

4. EXTENSION OF THE SHARE ISSUE MANDATE

The proposed Ordinary Resolution numbered 6 set out in the 2001 AGM Notice will, if passed, extend the Share Issue Mandate to include the aggregate number of Shares which may from time to time be repurchased by the Company pursuant to, and in accordance with, the Repurchase Mandate.

5. RE-ELECTION OF NEWLY-APPOINTED DIRECTORS

On 3 September 2001, the Company announced the appointment of Karin Schulte and Dominic Bokor-Ingram as new Directors with effect from 1 September 2001. Set out below are the biographies of such Directors which were not contained in the Annual Report 2000-2001:-

Karin Schulte, aged 32, British, has worked since 1991 in the Asia Pacific region. After graduating from the University of Kent, Canterbury, United Kingdom in 1991, Ms Schulte lived and worked in Japan for one year. She then spent five years based in Hong Kong working in the logistics industry firstly with a German company, Birkart Globisitics, and then with the Japanese company Nippon Yusen Kaisha. She returned to Hong Kong in January 2000 to join the iRegent Group after three years based in Sydney, Australia where she obtained a Master's degree in Business Administration at the Australian Graduate School of Management. During her time in Sydney, Ms Schulte worked for Macquarie Bank, an Australian investment bank, in the capacity of Manager, Corporate Communications. She is currently a director of certain iRegent Group subsidiaries.

Dominic Bokor-Ingram, aged 32, British, graduated from Exeter University in 1989 with a Bachelor of Arts degree in Economics and Statistics. He has more than 10 years' experience in respect of fund management. Before joining the iRegent Group in 1995, Mr Bokor-Ingram worked for 3 years with Oliff & Partners and 3 years with Buchanan Securities and Buchanan Partners. During 1995 to 2000, he was a director of Regent Fund Management Limited based in London, United Kingdom, responsible for fund management in emerging markets in Europe, Russia and former Soviet Republics. Since 2000, he has been a director of Interman UK Limited, responsible for investment in early stage technology companies and start-up fund management companies.

In accordance with Article 86(3) of the Company's Articles of Association, the above newly-appointed Directors shall retire from office at the 2001 Annual General Meeting but shall then be eligible for re-election.

6. THE 2001 ANNUAL GENERAL MEETING

The 2001 AGM Notice is set out in the Annual Report 2000-2001, to which this document accompanies. A form of proxy is enclosed for your use at the 2001 Annual General Meeting. Whether or not you are able to attend the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong as soon as possible but in any event not later than 11:00 am on Wednesday, 26 September 2001. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

7. RECOMMENDATION

The Directors consider that the Share Issue Mandate, the Repurchase Mandate and the extension of the Share Issue Mandate are in the best interests of the iRegent Group. Accordingly, the Directors recommend that all shareholders vote in favour of the Ordinary Resolutions numbered 4, 5 and 6 proposed at the 2001 Annual General Meeting.

Yours faithfully
On behalf of the Board of
iRegent Group Limited

James Mellon
Chairman