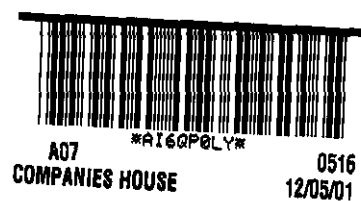


**Regent Europe Asset
Management (UK) Limited**
(formerly Regent Fund Management (UK) Ltd)

Directors' report and financial statements

For the nine months ended 31 December 2000

Company number 3017258



Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

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Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Company information

Directors

Sir J Mellon	
J Sutcliffe	(appointed 31 January 2001)
C York	(appointed 31 January 2001)
N Bradley	(appointed 31 January 2001)
A Wiles	(appointed 20 June 2000)
D Bokor-Ingram	(resigned 25 July 2000)
D McMahon	(resigned 31 January 2001)
A P Visser	(resigned 20 April 2000)

Secretary

D McMahon

Auditors

KPMG
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

Solicitors

Stephenson Harwood
One, St Paul's Churchyard
London
EC4M 8SH

Registered office

39 St James's Street
London
SW1A 1JD

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Directors' report

The Directors present their annual report and the audited financial statements for the nine months ended 31 December 2000.

Principal activity

The principal activity of the Company is that of the provision of investment advisory services.

Change of name

The Company changed its name on 28 June 2000 from Regent Fund Management (UK) Ltd to Regent Europe Asset Management (UK) Limited.

Change of year end

To be consistent with the accounting year end of the Parent Company, the Company has changed its reporting date to 31 December and therefore these financial statements are for the nine months period to 31 December 2000.

Review of business

In the year ended 31 March 1998, the company signed a subinvestment management agreement with Regent Europe Asset Management (IOM) Limited, a company under common ultimate control, whereby the majority of clients under management were transferred to the control of that company. Since this date the activity of the company has been minimal.

Results

The profit before taxation for the nine month period ended 31 December 2000 amounted to £185 (*year 31 March 2000: loss of £2,491*). After taxation of £Nil (*31 March 2000: recoverable of £10,343*), £185 is transferred to reserves (*year 31 March 2000: £7,852*).

Dividend

The Directors do not propose the payment of a dividend (*year 31 March 2000: £500,000*).

Events since the balance sheet date

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

Directors and their interests

The Directors who served during the year are shown on page 1.

At 31 December 2000, the Directors have no interest in the share capital of the Company.

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Directors' report (continued)

Directors and their interests (continued)

The Directors and their interests in the share capital of the parent company were as follows:

Regent Europe Limited

	Personal interest	Other interest	Share options	Option price US\$	Total interest
<i>31 December 2000</i>					
Sir J Mellon	-	-	-	-	-
D McMahon	30,000,000	-	12,000,000	0.0154	42,000,000
A Wiles	-	-	9,000,000	0.0154	9,000,000

iRegent Group Limited

				HK\$	
<i>31 March 2000</i>					
D Bokor-Ingram	3,253,305	-	2,261,695	1.18	5,515,000
Sir J Mellon	4,283,330	-	-	-	4,283,330
A P Visser	550,000	-	-	-	550,000
D McMahon	-	-	2,000,000	1.18	
			3,000,000	1.40	5,000,000

Auditors

The Auditors, KPMG, being eligible, have expressed their willingness to continue in office in accordance with Section 384 of the Companies Act 1985.

By order of the Board

A. Wiles

A Wiles
Director

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements 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 of the Company for that period. In preparing those financial statements, 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 financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

**Report of the Auditors to the members of
Regent Europe Asset Management (UK) Limited
(formerly Regent Fund Management (UK) Ltd)**

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.


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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of the profit of the Company for the period from 1 April 2000 to 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.

KPMG 
Chartered Accountants
Registered auditors

27 April 2001

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Profit and loss account

for the nine months ended 31 December 2000

	Notes	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
Turnover	2	274,430	350,026
Operating costs		(349,510)	(416,154)
Income from investments		-	20,080
Other operating income		35,581	28,052
Operating loss	3	(39,499)	(17,996)
Interest receivable and similar income		39,684	15,505
Profit/(loss) on ordinary activities before taxation		185	(2,491)
Taxation	6	-	10,343
Profit on ordinary activities after taxation		185	7,852
Retained profit brought forward		91,082	583,230
Dividend		-	(500,000)
Retained profit carried forward		91,267	91,082

All activities are considered to be continuing.

In both the current and preceding financial periods, there were no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Balance sheet

as at 31 December 2000

	Notes	31 December 2000 £	31 March 2000 £
Fixed assets			
Tangible assets	7	536	778
Current assets			
Debtors	8	775,678	864,150
Cash at bank and in hand		374,213	403,381
		<u>1,149,891</u>	<u>1,267,531</u>
Creditors: amounts falling due within one year	9	<u>(59,160)</u>	<u>(177,227)</u>
Net current assets		<u>1,090,731</u>	<u>1,090,304</u>
Net assets		<u><u>1,091,267</u></u>	<u><u>1,091,082</u></u>
Capital and reserves			
Called up share capital	10, 11	100	100
Share premium account	11	999,900	999,900
Profit and loss account	11	91,267	91,082
Equity shareholders' funds		<u><u>1,091,267</u></u>	<u><u>1,091,082</u></u>

The notes on pages 8 to 12 form part of the financial statements.

These financial statements were approved by the board of Directors on 26 April 2001 and were signed on their behalf by:

A. Wiles

A Wiles
Director

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Notes

(forming part of the financial statements for the nine months ended 31 December 2000)

1 Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards modified by the revaluation of current asset investments.

Turnover

Turnover comprises investment management fees and advisory fees. All fees are on an accruals basis.

Depreciation

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

Computer	3 years
----------	---------

Foreign currencies

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax except to the extent that, in the opinion of the Directors, a liability is not expected to arise in the foreseeable future.

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Notes (continued)

(forming part of the financial statements for the nine months ended 31 December 2000)

2 Turnover

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

	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
Total management and advisory fees	274,430	423,813
Investment advisory fees paid	-	(73,787)
	<u>274,430</u>	<u>350,026</u>

3 Operating loss

This is stated after charging/(crediting):

	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
Foreign exchange gain	(35,581)	(12,800)
Staff costs	164,353	104,681
Depreciation	242	187
Auditors' remuneration - audit services	22,102	29,470
- non audit services	4,294	4,265
	<u></u>	<u></u>

4 Directors' remuneration

	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
Aggregate amount of Directors' emoluments	<u>108,011</u>	<u>129,723</u>
Amount paid to third parties in respect of Directors' services	<u>Nil</u>	<u>Nil</u>

Regent Europe Asset Management (UK) Limited

(formerly Regent Fund Management (UK) Ltd)

Notes (continued)

(forming part of the financial statements for the nine months ended 31 December 2000)

5 Staff costs

	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
Wages and salaries	102,500	99,073
Social security costs	61,853	5,608
	<u>164,353</u>	<u>104,681</u>
The average number of employees during the year was	<u>3</u>	<u>2</u>

6 Taxation

	Nine months ended 31 December 2000 £	Year ended 31 March 2000 £
UK corporation tax	-	(6,843)
Overprovision in prior year	-	(3,500)
	<u>-</u>	<u>(10,343)</u>

7 Tangible fixed assets

	Computer £
<i>Cost</i>	
At 31 March 2000 and at 31 December 2000	<u>965</u>
<i>Depreciation</i>	
At 31 March 2000	187
Charge for the period	242
At 31 December 2000	<u>429</u>
<i>Net book value</i>	
At 31 December 2000	<u>536</u>
At 31 March 2000	<u>778</u>

• **Regent Europe Asset Management (UK) Limited**
(formerly Regent Fund Management (UK) Ltd)

Notes (continued)

(forming part of the financial statements for the nine months ended 31 December 2000)

8 **Debtors**

	31 December 2000 £	31 March 2000 £
Trade debtors	-	45,493
Other debtors	5,632	2,932
Prepayments and accrued income	2,687	3,184
Amounts owed by parent and fellow subsidiary undertakings	760,516	805,698
Corporation tax refundable	6,843	6,843
	<u>775,678</u>	<u>864,150</u>

The amounts owed by fellow subsidiary undertakings are unsecured, interest free and repayable on demand. The amount owed by parent company is unsecured, bears interest at a commercial rate and is repayable on demand.

9 **Creditors: amounts falling due within one year**

	31 December 2000 £	31 March 2000 £
Amount payable to fellow subsidiary undertakings	-	64,706
Other taxes and social security costs	3,981	29,490
Other creditors	-	6,482
Accruals	55,179	76,549
	<u>59,160</u>	<u>177,227</u>

The amounts payable to fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

10 **Share capital**

	31 December 2000 £	31 March 2000 £
<i>Authorised</i>		
100,000 ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>
	31 December 2000 £	31 March 2000 £
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

Regent Europe Asset Management (UK) Limited
(formerly Regent Fund Management (UK) Ltd)

Notes (continued)

(forming part of the financial statements for the nine months ended 31 December 2000)

11 Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Share premium account £	Profit and loss account £	Total share- holders' funds £
At 31 March 2000	100	999,900	91,082	1,091,082
Profit for the period	-	-	185	185
At 31 December 2000	100	999,900	91,267	1,091,267

12 Statement of cashflows

Under FRS 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

13 Related parties

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

14 Parent and ultimate holding company

The parent and ultimate holding company is Regent Europe Limited (formerly called Regent Fund Management (Cayman) Limited) incorporated in the Cayman Islands. The smallest and largest group in which the results of the Company are consolidated is Regent Europe Limited. Copies of the group accounts of Regent Europe Limited are available from Regent Europe Limited, Regent House, 16 – 18 Ridgeway Street, Douglas, Isle of Man.

15 Comparative period

The Company changed its accounting year end from 31 March to 31 December. The comparative figures are for the year ended 31 March 2000.

16 Post balance sheet event

Pursuant to an Asset Sale and Purchase Agreement dated 31 January 2001 with Regent Pacific Corporate Finance Limited, the company purchased the business, assets and liabilities of that company.