

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **REGENT PACIFIC GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0575)**

### **Passing of the mandatory share buy-back by shareholders of Bridge Securities Co., Ltd**

The Directors are pleased to announce that the Company has been informed by the BIH directors that the mandatory share buy-back of 150 million Bridge shares at KRW 1,000 (circa US\$0.86 or HK\$6.71) per Bridge share, which will amount to KRW 150 billion (circa US\$129.6 million or HK\$1,010.7 million), before taxes, has been approved by Bridge shareholders at Bridge's AGM on 15 June 2004.

Assuming that no creditors present their objection before 19 July 2004, the BIH Group will receive approximately US\$100.8 million (circa HK\$785.8 million) or the equivalent of US\$2.25 (circa HK\$17.5) per BIH share before taxes on or around 16 August 2004. After the Company's announcement dated 27 May 2004, your Directors were informed by the BIH directors that Bridge had received a notification from the Namdaemun tax office on 7 June 2004 informing Bridge that withholding taxes in aggregate of approximately KRW 12.11 billion (circa US\$10.5 million or HK\$81.9 million) would be levied on the BIH Group in respect of Bridge's mandatory share buy-back and issuance of bonus shares with no consideration, which Bridge issued to its shareholders on 31 May 2004 in the ratio of 2.9 shares for every 1 share held. Based on the tax calculation by the Namdaemun tax office, it is expected that the BIH Group will receive approximately US\$90.3 million (circa HK\$703.9 million) or the equivalent of US\$2.02 (circa HK\$15.71) per BIH share net of estimated Korean taxes.

It is the intention of the BIH directors to distribute these proceeds to BIH shareholders upon receipt, subject to maintaining sufficient working capital. On that premise, the Directors expect the Company to receive approximately US\$36.3 million (circa HK\$282.8 million) from BIH, net of estimated Korean taxes.

It is the intention of your Directors that the Company will distribute a significant majority of the proceeds received from BIH. Your Directors will of course consider the amount of the distribution that the Company will make to all shareholders nearer the time the proceeds are paid to BIH shareholders and an appropriate announcement will be made to shareholders in the usual manner.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

The directors (the “**Directors**” or the “**Board**”) of Regent Pacific Group Limited (the “**Company**”) refer to the announcement issued by the Company on 27 May 2004 regarding a mandatory share buy-back of 150 million shares in the capital of Bridge Securities Co., Ltd (“**Bridge**”) at KRW 1,000 (circa US\$0.86 or HK\$6.71) per Bridge share, which will amount to KRW 150 billion (circa US\$129.6 million or HK\$1,010.7 million), before taxes, subject to approval by Bridge shareholders at its annual general meeting on 15 June 2004 (“**Bridge’s AGM**”).

The Directors are pleased to announce that the Company has been informed by the directors of Bridge Investment Holding Limited (“**BIH**”, and collectively with its subsidiaries, the “**BIH Group**”), a 40.17% associate of the Company holding a 79.73% interest in Bridge (which will reduce to 77.75% after the proposed disposal by Bridge of 5.5 million Treasury Shares), that the resolution, among others, to approve the KRW 150 billion mandatory share buy-back was passed at Bridge’s AGM on 15 June 2004.

As part of the share buy-back program, creditors of Bridge are allowed to present their objection, if any, to the mandatory share buy-back before 19 July 2004. Assuming that no creditors object, the BIH Group will receive approximately US\$100.8 million (circa HK\$785.8 million) or the equivalent of US\$2.25 (circa HK\$17.5) per BIH share before taxes on or around 16 August 2004. After the Company’s announcement dated 27 May 2004, your Directors were informed by the BIH directors that Bridge had received a notification from the Namdaemun tax office on 7 June 2004 informing Bridge that withholding taxes in aggregate of approximately KRW 12.11 billion (circa US\$10.5 million or HK\$81.9 million) would be levied on the BIH Group in respect of Bridge’s mandatory share buy-back and issuance of bonus shares with no consideration, which Bridge issued to its shareholders on 31 May 2004 in the ratio of 2.9 shares for every 1 share held. However, your Directors understand that Bridge’s tax adviser has submitted a letter to the Korean National Tax Service requesting an interpretation of the calculation of deemed dividend income of foreign shareholders at the time of the mandatory buy-back of shares because Bridge’s tax adviser and the Namdaemun tax office have a different interpretation of the method of taxation of a foreign company. Based on the tax calculation by the Namdaemun tax office, it is expected that the BIH Group will receive approximately US\$90.3 million (circa HK\$703.9 million) or the equivalent of US\$2.02 (circa HK\$15.71) per BIH share net of estimated Korean taxes.

It is the intention of the BIH directors to distribute these proceeds to BIH shareholders upon receipt, subject to maintaining sufficient working capital. On that premise, the Directors expect the Company to receive approximately US\$36.3 million (circa HK\$282.8 million) from BIH, net of estimated Korean taxes.

It is the intention of your Directors that the Company will distribute a significant majority of the proceeds received from BIH. Your Directors will of course consider the amount of the distribution that the Company will make to all shareholders nearer the time the proceeds are paid to BIH shareholders and an appropriate announcement will be made to shareholders in the usual manner.

BIH is an investment holding company that was incorporated in the Cayman Islands on 14 September 1999 with limited liability. The Company holds 40.17% of the issued share capital of BIH and State of Wisconsin Investment Board (“**SWIB**”) owns 26.8% of the issued share capital of BIH. Third parties hold the remaining interests in the issued share capital of BIH.

The BIH Group owns 79.73% of the issued share capital of Bridge, a company incorporated in Korea and whose shares are listed on the Korean Stock Exchange. This interest will reduce to 77.75% after the proposed disposal by Bridge of 5.5 million Treasury Shares. SWIB owns directly 8.39% of the issued share capital of Bridge (which will reduce to 8.18% after the aforesaid proposed disposal by Bridge of the Treasury Shares). Third parties hold the remaining interests in the issued share capital of Bridge. Bridge's principal business activities consist of stock broking, corporate investment and financing services.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

On Behalf of the Board of  
**Regent Pacific Group Limited**

**Jamie Gibson**  
*Director*

**Directors of the Company:**

Anthony Baillieu (*Chairman*)<sup>\*</sup>  
Jamie Gibson (*Chief Executive Officer*)  
Clara Cheung  
James Mellon<sup>\*</sup>  
Mark Searle<sup>\*#</sup>  
Jayne Sutcliffe<sup>\*</sup>  
Anderson Whamond<sup>\*</sup>  
Robert Whiting<sup>\*#</sup>

<sup>\*</sup> *Non-Executive Directors*

<sup>#</sup> *Independent Directors*

*In this announcement, for reference only and unless otherwise specified, the conversion of KRW into US\$ is calculated at the exchange rate of KRW 1,157.15 to US\$1.00 and the conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1.00 to HK\$7.7987 (being exchange rates quoted on 16 June 2004).*

Hong Kong, 18 June 2004

Please also refer to the published version of this announcement in The Standard.