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REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

UPDATES ON OUTSTANDING LITIGATION MATTERS AGAINST BRIDGE INVESTMENT HOLDING LIMITED AND BRIDGE SECURITIES CO LTD AND OUTSTANDING KOREAN ARREST WARRANT AGAINST MR JAMES MELLON

The Directors wish to update shareholders in respect of certain legal actions that were filed against Bridge Investment Holding Limited and Bridge Securities Co Ltd by Mr Peter Everington and Ms Romi Williamson, the former executive directors of BIH and Bridge, and the outstanding Korean arrest warrant against Mr James Mellon.

Details of the legal actions are set out below in this announcement.

On 15 October 2003, the Company was informed by the management of Bridge that Bridge was successful in dismissing, in its entirety, Mr Peter Everington's and Ms Romi Williamson's claim in aggregate of US\$1.2 million against Bridge for termination of their employment contracts with Bridge. In addition, the judge ordered that Mr Peter Everington and Ms Romi Williamson pay Bridge's legal costs incurred in defending the action. However, the Company understands that Mr Peter Everington and Ms Romi Williamson have lodged an appeal against the judgment.

In the event that Mr Peter Everington and Ms Romi Williamson are successful with their claims against BIH and Bridge, the Company's attributable share of such claims will be approximately US\$3.71 million in aggregate or approximately 4.36% of the Company's shareholders' funds as at 31 March 2003.

The Company was informed by Mr James Mellon's Korean legal counsel on 25 September 2003 that the arrest warrant pertaining to an alleged conspiracy between Mr Seung-Hyun Jin (a Korean national who was formerly a director and a shareholder of BIH), Mr Chang-Kon Koh (former President of Regent Securities Co Ltd) and Mr James Mellon to manipulate the share price of RSC remained valid and effective as at 25 September 2003. This arrest warrant was issued by the Korean prosecutor's office on 19 December 2000 and subsequently renewed in January 2002 and January 2003. Mr Mellon categorically denies these allegations and has retained leading Korean counsel to act on his behalf in disproving the Korean prosecutor's claims. On 28 March 2001, Mr Mellon also submitted, via his Korean counsel, a comprehensive sworn affidavit disproving the alleged share manipulation. However, the arrest warrant remains valid and effective as at the date of this announcement. It will remain valid and effective until such time as Mr Mellon returns to South Korea to assist with the investigation. As far as the Company is aware, no proceedings have been issued or served on Mr Mellon to date. In the circumstances, the Board considers it entirely appropriate for Mr Mellon to remain on the Board of the Company as a non-executive Director.

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

The directors (the "**Director(s)**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**") and collectively with its subsidiaries, the "**Group**") refer to the shareholders' circular issued by the Company on 13 November 2003 in respect of the Company's declaration of a special interim dividend for the year ending 31 March 2004 together with the Company's responses to questions raised at its annual general meeting held on 3 September 2003 (the "**2003 AGM**").

The Directors wish to update shareholders in respect of the following issues:

1. Outstanding litigation matters against Bridge Investment Holding Limited and Bridge Securities Co Ltd

The following legal actions were filed against Bridge Investment Holding Limited ("**BIH**"), a 40.2% associate of the Company, and Bridge Securities Co Ltd ("**Bridge**"), a 78.4% owned subsidiary of BIH, by Mr Peter Everington and Ms Romi Williamson, the former executive directors of BIH and Bridge:

- a. On 29 January 2003, Mr Peter Everington and Ms Romi Williamson (collectively the "**Claimants**") commenced legal action against BIH seeking US\$6.3 million and US\$2.0 million respectively for termination of their employment contracts with BIH. This was disclosed to shareholders in note 14 to the consolidated financial statements of the Company's annual report and financial statements for the year ended 31 March 2003. The Company has been informed that BIH filed its defence and counterclaim on 28 March 2003 and the Claimants filed their reply and defence to the counterclaim on 9 May 2003. The Company understands from the directors of BIH that BIH and its legal counsel anticipate that the outcome will be favourable to BIH and for prudence appropriate provisions have been made by BIH in its accounts in respect of this litigation.

- b. The Company was informed that on 29 January 2003 the Claimants also commenced legal action against Bridge for termination of their employment contracts with Bridge. The Company understands that the Claimants are seeking US\$673,000 and US\$525,513 respectively.

On 15 October 2003, the Company was informed by the management of Bridge that Bridge was successful in dismissing, in its entirety, the Claimants' claim in aggregate of US\$1.2 million against Bridge for termination of their employment contracts with Bridge. In addition, the judge ordered that the Claimants pay Bridge's legal costs incurred in defending the action. However, the Company understands that Mr Everington and Ms Williamson have lodged an appeal against the judgment.

Further announcements will be made by the Company when updated information on the above litigation matters is available.

Save for the above, the Group is not involved in any other material litigation or disputes.

In the event that the Claimants are successful with their claims against BIH and Bridge, the Company's attributable share of such claims will be approximately US\$3.71 million in aggregate or approximately 4.36% of the Company's shareholders' funds as at 31 March 2003.

2. Outstanding Korean arrest warrant against Mr James Mellon

At the 2003 AGM, Ms Romi Williamson, a shareholder of the Company, raised the issue of whether there was an arrest warrant in Korea for Mr James Mellon still outstanding. Ms Williamson, who was the Group Compliance Officer and Company Secretary at the time, will be well aware that an arrest warrant was issued against Mr Mellon pertaining to his alleged involvement in a conspiracy to manipulate the share price of Regent Securities Co Ltd ("**RSC**") in Korea in November/December 2000. These were events which received significant press coverage at the time and concerning which the Company had, in November 2000, also made an announcement to its shareholders.

The Company was informed by Mr Mellon's Korean legal counsel on 25 September 2003 that the arrest warrant remained valid and effective as at 25 September 2003. This arrest warrant was issued by the Korean prosecutor's office on 19 December 2000 and subsequently renewed in January 2002 and January 2003, pertaining to an alleged conspiracy between Mr Seung-Hyun Jin (a Korean national who was formerly a director and a shareholder of BIH), Mr Chang-Kon Koh (former President of RSC) and Mr Mellon to manipulate the share price of RSC. Mr Mellon informed the Directors in December 2000 that he categorically denies these allegations and has retained leading Korean counsel to act on his behalf in disproving the Korean prosecutor's claims. Mr Mellon has also informed the Directors that on 28 March 2001, he also submitted, via his Korean counsel, a comprehensive sworn affidavit disproving the alleged share manipulation. However, the arrest warrant remains valid and effective as at the date of this announcement. The Company has been informed by Mr Mellon's Korean counsel that the arrest warrant will remain valid and effective until such time as Mr Mellon

returns to South Korea to assist with the investigation. As far as the Company is aware, no proceedings have been issued or served on Mr Mellon to date. In the circumstances, the Board considers it entirely appropriate for Mr Mellon to remain on the Board of the Company as a non-executive Director.

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

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Hong Kong, 13 November 2003

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