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## **iRegent Group Limited**

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

### **ANNOUNCEMENT**

#### **Liquidity difficulties of Regent Merchant Bank in Korea**

The directors of Hong Kong listed iRegent Group Limited ("iRegent") stated today that the liquidity difficulties of the Korean financial institution, Regent Merchant Bank, in which iRegent has an effective interest of 16.5%, will have only a limited impact on the group's operations and financial strength.

The liquidity difficulties of Regent Merchant Bank in Korea resulted from significant withdrawals by depositors after rumours started circulating involving alleged stock price manipulation of an associated Korean company, Regent Securities Company Limited ("Regent Securities"). iRegent has told Korean regulators that it has never engaged in stock price manipulation in Korea or elsewhere.

iRegent's financial interest in Regent Merchant Bank (previously named Kyungsu Merchant Bank) is limited to approximately US\$15 million, representing its effective interest in Regent Merchant Bank. This represents approximately 12% of the consolidated net tangible assets of iRegent as at 31 March 2000.

iRegent owns approximately 46% of KoreaOnline Limited ("KoreaOnline") which, in turn, effectively owns approximately 31% of Regent Merchant Bank.

iRegent has been aware for sometime that Korean regulatory authorities have been investigating Mr. Jin Seong-Hyun, who is a minority shareholder in KoreaOnline, regarding allegations of stock price manipulation in the shares of Regent Securities. Members of the iRegent Group have been actively helping with that investigation and continue to do so. iRegent has not had any contact with Mr. Jin for some time.

In May 2000, iRegent discovered that Mr. Jin, in connection with Mr. Chang-Kon Koh, who was at that time CEO of Regent Securities, had engaged in financial transactions which breached internal regulations. These were all reported to the Korean regulators and the KoreaOnline group immediately set in motion a process of minimising its exposure by actively collecting good collateral and by aggressively provisioning against possible future losses. As a consequence, Mr. Jin's approximate 13% stake in KoreaOnline has been pledged to Regent Merchant Bank and is proposed to be sold to foreign investors.

iRegent, through KoreaOnline, has been a continuous investor in Korea. All stock purchases by KoreaOnline are undertaken in complete accordance with Korean law.

iRegent, in conjunction with KoreaOnline, has many other investments apart from Regent Merchant Bank in Korea, which together employ more than 2,500 people in the country. The audited consolidated net tangible asset value of the KoreaOnline group as at 31 March 2000 was more than US\$360 million. The group is firmly committed to its operations in Korea.

The directors note the decrease in the price of the shares in iRegent on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 November 2000. Save as disclosed above, the directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, and neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

At the request of iRegent, the shares and warrants in iRegent were suspended from trading on the Stock Exchange at 2:30 p.m. on 28 November 2000 pending the issuance of this announcement. Trading in the shares and warrants are expected to recommence at 10:00 a.m. on 29 November 2000. Investors are advised to exercise caution in trading in the shares and warrants of iRegent.

Further announcements will be made as appropriate.

On behalf of the Board of Directors of  
**iRegent Group Limited**  
Alec Tsui  
Director

Hong Kong, 28 November 2000