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REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

DISCLOSEABLE TRANSACTION - MANDATORY CAPITAL REDUCTION AND SHARE SALE OPTION AGREEMENT RELATING TO BRIDGE SECURITIES CO., LTD

Further to the announcement by the Company on 4 July 2005 with respect to, inter alia, the Mandatory Capital Reduction and the Call Option Agreement of Bridge, the Directors are pleased to announce that the Share Sale Option Agreement relating to the sale of 62,341,329 Bridge shares has been entered into on 13 July 2005 amongst the Sellers, Bridge and the Purchaser (who is also the Option Holder), which replaces the Call Option Agreement.

Pursuant to the Share Sale Option Agreement, the Sellers have agreed to sell to the Purchaser the Sale Shares currently held by the Sellers (such shares will be reduced by 41.2231177%, representing the number of shares purchased by Bridge pursuant to the Mandatory Capital Reduction), at a total consideration of KRW 38.13 billion (US\$37.72 million or HK\$294.22 million). Of the consideration of KRW 38.13 billion, an initial consideration of KRW 3.81 billion (US\$3.77 million or HK\$29.41 million) in cash was paid by the Purchaser on 29 June 2005 under the Call Option Agreement for the grant of the Call Option. The Purchaser will be responsible for withholding any and all STT payable on the Closing Payment and thereafter for the payment of such STT liability to the Korean relevant tax authority.

Shareholders may note that the Purchase Price in the Share Sale Option Agreement is exactly equal to the consideration for the grant and exercise of the Call Option under the Call Option Agreement.

Accordingly, with reference to the Company's announcement dated 4 July 2005, the Company will receive approximately US\$37.87 million (HK\$295.39 million) from BIH in respect of the Mandatory Capital Reduction and the sale of the Sale Shares, net of estimated Korean taxes. In addition, the total proceeds to be received by RPCA directly from Bridge in respect of the Mandatory Capital Reduction and the sale of the Sale Shares, net of estimated Korean taxes, will amount to US\$0.60 million (HK\$4.68 million). It is the intention of your Directors that the Company will distribute 90% of the net proceeds received from BIH, subject to the Group retaining sufficient working capital for the next 24 months. Your Directors will 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 may also note that completion of the sale and purchase of the Sale Shares under the Share Sale Option Agreement is subject to a number of conditions, including the completion of the Mandatory Capital Reduction and no Material Adverse Change (as defined herein) in respect of the Purchaser's due diligence exercise on Bridge, which must be completed by 15 August 2005. The Mandatory Capital Reduction and the Share Sale Option Agreement, in aggregate, constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

While (a) the Mandatory Capital Reduction has been approved by the board of directors of Bridge, and (b) the Share Sale Option Agreement has been signed by the parties, there can be no assurance that either (i) the Mandatory Capital Reduction will complete, or (ii) the conditions for the sale and purchase of the Sale Shares under the Share Sale Option Agreement will be satisfied. Accordingly, shareholders and potential shareholders are advised to exercise extreme caution when dealing in the shares of the Company. Further, shareholders and potential shareholders should note that the amounts expressed in this announcement relating to the potential distributions by the Company are merely indicative and not definitive. Your Directors will consider the amount of the distribution(s) 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. The Directors understand from the BIH directors that they hope that BIH will make the distributions by 31 October 2005.

This announcement is made pursuant to Rules 14.06, 14.58 and 14.60 of The Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited.

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**") and collectively with its subsidiaries, the "**Group**") refer to the announcement made by the Company on 4 July 2005 with respect to the following update on Bridge Securities Co., Ltd ("**Bridge**", a 77.75% owned subsidiary of Bridge Investment Holding Limited ("**BIH**"), which is in turn a 40.2% owned associate of the Company):

- a. A KRW 100 billion mandatory capital reduction of Bridge (the "**Mandatory Capital Reduction**"), pursuant to which Bridge's shares will be repurchased by Bridge mandatorily at KRW 3,380 (US\$3.34 or HK\$26.05) per share, representing approximately 52.1% of Bridge's net asset value as at 31 March 2005, which is expected to complete on or around 20 September 2005; and
- b. A call option agreement entered into on 24 June 2004 (the "**Call Option Agreement**") amongst (i) KoreaOnline (Labuan) Limited, RPG (L) Ltd and SWKOL (Labuan) Limited (each being a wholly owned subsidiary of BIH and collectively the "**BIH Subsidiaries**"); (ii) RPCA (L) Limited ("**RPCA**", a wholly owned subsidiary of the Company); and (iii) the State of Wisconsin Investment Board ("**SWIB**") (collectively the "**Sellers**"); (iv) Bridge; and (v) Golden Bridge Co., Ltd (the "**Option Holder**"), pursuant to which a call option (the "**Call Option**") over the 62,341,329 shares currently held by the Sellers in Bridge was granted to the Option Holder at an initial consideration of KRW 3.81 billion (US\$3.77 million or HK\$29.41 million) in cash, which has been

paid by the Option Holder to the Sellers on 29 June 2005, and at the exercise consideration of KRW 34.32 billion (US\$33.95 million or HK\$264.81 million) in cash (less the Korean securities transaction tax of approximately KRW 0.17 billion (US\$0.17 million or HK\$1.33 million) which the Option Holder must pay to the relevant Korean tax authority).

The Directors are pleased to announce that a share sale option agreement (the “**Share Sale Option Agreement**”, as referred to in the announcement dated 4 July 2005) has been entered into on 13 July 2005 amongst the Sellers, Bridge and the Option Holder. Pursuant to the Share Sale Option Agreement, the Sellers have agreed to sell to Golden Bridge Co., Ltd (the “**Purchaser**”, who is the Option Holder) the 62,341,329 shares (the “**Sale Shares**”) currently held by the Sellers in Bridge (such shares will be reduced by 41.2231177%, representing the number of shares purchased by Bridge pursuant to the Mandatory Capital Reduction), with all rights and advantages attaching to them under law as at the closing (the “**Closing**”), which shall take place on the third business day following notification of the fulfilment or waiver of all the conditions set out therein (including, without limitation, the right to receive all dividends or distributions declared, made or paid on or after the Closing).

The Share Sale Option Agreement replaces the Call Option Agreement.

1. CONSIDERATION

The consideration (the “**Purchase Price**”) for the sale and purchase of the Sale Shares under the Share Sale Option Agreement shall consist of:

- a. KRW 3.81 billion (US\$3.77 million or HK\$29.41 million) in cash, being the initial consideration paid by the Purchaser on 29 June 2005 under the Call Option Agreement for the grant of the Call Option (the “**Call Option Consideration**”); and
- b. KRW 34.32 billion (US\$33.95 million or HK\$264.81 million) in cash (less the Korean securities transaction tax (“**STT**”) of approximately KRW 0.17 billion (US\$0.17 million or HK\$1.33 million) which the Purchaser must pay to the relevant Korean tax authority) (the “**Closing Payment**”), provided, however, that in the event the relevant Korean relevant tax authority requires the Purchaser to pay STT on the Call Option Consideration on the basis that STT shall be paid on the whole amount of the Purchase Price, the Purchaser shall be entitled to further deduct STT of KRW 19.07 million (US\$19,000 or HK\$148,000) from the Closing Payment.

The Purchaser will be responsible for withholding any and all STT payable on the Closing Payment and thereafter for the payment of such STT liability to the Korean relevant tax authority.

The Call Option Consideration is non-refundable in the event that the sale and purchase of the Sale Shares contemplated in the Share Sale Option Agreement does not complete for whatever reason except that (i) the Purchaser’s due diligence exercise on Bridge reveals a Material Adverse Change (as defined below) by 15 August 2005; or (ii) the

Sellers fail to deliver the Sale Shares on the Closing; or (iii) the conditions in the Share Sale Option Agreement have not been satisfied or waived on or before 31 October 2005; or (iv) the Share Sale Option Agreement is terminated. A “**Material Adverse Change**” means a shortfall of 10% or more in Bridge’s net asset value as at 30 June 2005 as compared to its net asset value as at 31 March 2005, computed in accordance with Korean generally accepted accounting principles (“**KGAAP**”) on a going concern basis except to the extent such material adverse change results from or is caused by changes, after the date of the Share Sale Option Agreement, in KGAAP or actions or omissions of a party to the agreement taken with the prior written consent of the other parties to the agreement.

2. CONDITIONS PRECEDENT

The Share Sale Option Agreement is conditional, inter alia, upon:

- a. Bridge’s shareholders approving the Mandatory Capital Reduction at the extraordinary general meeting convened to be held on 4 August 2005 and completion of the Mandatory Capital Reduction on 20 September 2005;
- b. the filing of a foreign direct investment report with, and acceptance by, the relevant foreign exchange bank of Bridge;
- c. the submission and acceptance of a filing in respect of the sale and purchase of the Sale Shares contemplated in the Share Sale Option Agreement pursuant to the Foreign Investment Promotion Law of Korea;
- d. no Material Adverse Change in respect of the Purchaser’s due diligence exercise on Bridge, which must be completed by 15 August 2005; and
- e. no requirement under Korean law to obtain approval from the Financial Supervisory Commission of Korea or the Financial Supervisory Service of Korea in respect of the Share Sale Option Agreement or the transactions contemplated thereby.

3. BASIS OF CONSIDERATION

The book value of the 336,090 Bridge shares held by RPCA as at 30 September 2004 was US\$0.37 million (HK\$2.89 million), being US\$1.10 per share.

RPCA’s holding of Bridge’s shares are to be redeemed under the Mandatory Capital Reduction at KRW 3,380 (US\$3.34 or HK\$26.05) per share.

RPCA’s attributable holding of the Sale Shares are to be sold pursuant to the Share Sale Option Agreement at KRW 1,041 (US\$1.03 or HK\$8.03) per share, with reference to the market value of Bridge’s shares of KRW 1,080 at 24 May 2005 (the date immediately before its suspension on the Korea Exchange) and the anticipated proceeds from the Mandatory Capital Reduction.

As noted below, a gain of US\$0.23 million (HK\$1.80 million), net of estimated Korean taxes, will be realised by RPCA from the Mandatory Capital Reduction and the sale of the Sale Shares.

4. TOTAL PROCEEDS RECEIVABLE FROM THE MANDATORY CAPITAL REDUCTION AND THE SALE OF THE SALE SHARES

Shareholders may note that the Purchase Price in the Share Sale Option Agreement is exactly equal to the consideration for the grant and exercise of the Call Option under the Call Option Agreement.

Accordingly, with reference to the Company's announcement dated 4 July 2005, the Company will receive approximately US\$37.87 million (HK\$295.39 million) from BIH in respect of the Mandatory Capital Reduction and the sale of the Sale Shares, net of estimated Korean taxes. In addition, the total proceeds to be received by RPCA directly from Bridge in respect of the Mandatory Capital Reduction and the sale of the Sale Shares, net of estimated Korean taxes, will amount to US\$0.60 million (HK\$4.68 million). It is the intention of your Directors that the Company will distribute 90% of the net proceeds received from BIH, subject to the Group retaining sufficient working capital for the next 24 months. Your Directors will 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.

On the basis of such estimated proceeds, a gain of US\$0.23 million (HK\$1.80 million), net of estimated Korean taxes, will be realised by RPCA from the Mandatory Capital Reduction and the sale of the Sale Shares.

5. REASONS FOR ENTERING INTO THE TRANSACTION

RPCA's holding of Bridge's shares are to be mandatorily repurchased by Bridge under the Mandatory Capital Reduction. The Directors believe that the terms of the Share Sale Option Agreement are fair and reasonable and in the interests of the Company as a whole.

The Company is regularly evaluating and considering new investment areas, and the proceeds to be received under the Mandatory Capital Reduction and the sale of the Sale Shares will provide financing for such new investment areas.

6. DISCLOSEABLE TRANSACTION

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are independent third parties not connected with and not acting in concert with the Company, the directors, chief executive officer or substantial shareholder of the Company or its subsidiaries or any of their respective associates (as defined under the Listing Rules).

Shareholders may also note that completion of the sale and purchase of the Sale Shares under the Share Sale Option Agreement is subject to a number of conditions, including the completion of the Mandatory Capital Reduction and no Material Adverse Change (as defined herein) in respect of the Purchaser's due diligence exercise on Bridge, which must be completed by 15 August 2005. The Mandatory Capital Reduction and the Share Sale Option Agreement, in aggregate, constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules, by reference to the revenue attributable to the 0.47% interest held by RPCA in Bridge is more than 5% but less than 25% of the Company's total revenue for the year ended 31 March 2004 (being the latest published audited final results).

A circular containing details of the Mandatory Capital Reduction and the Share Sale Option Agreement will be despatched to shareholders in due course.

7. GENERAL INFORMATION

In the event that the Sellers successfully realise their interests in Bridge and BIH distributes the realisation proceeds to its shareholders, including the Company, the Group's remaining activities, as at the date of this announcement, will consist of fund management, corporate investment and investment in minerals exploration, mining and processing industry in the People's Republic of China. SWIB currently holds 7.46% of the total issued voting share capital of the Company.

Bridge is a company incorporated in Korea, the shares of which are currently suspended on the Korea Exchange. The BIH Subsidiaries, SWIB and RPCA own directly 77.75%, 8.64% and 0.47% respectively of the issued share capital of Bridge. 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.

The net profits before and after taxation and extraordinary items attributable to the 336,090 Bridge shares held by RPCA for the year ended 31 March 2004 were US\$0.03 million (HK\$0.23 million) and US\$0.01 million (HK\$0.08 million) respectively. The net loss before and after taxation and extraordinary items attributable to these shares for the year ended 31 March 2005 were US\$0.14 million (HK\$1.09 million) and US\$0.18 million (HK\$1.40 million) respectively.

While (a) the Mandatory Capital Reduction has been approved by the board of directors of Bridge, and (b) the Share Sale Option Agreement has been signed by the parties, there can be no assurance that either (i) the Mandatory Capital Reduction will complete, or (ii) the conditions for the sale and purchase of the Sale Shares under the Share Sale Option Agreement will be satisfied. Accordingly, shareholders and potential shareholders are advised to exercise extreme caution when dealing in the shares of the Company. Further, shareholders and potential shareholders should note that the amounts expressed in this announcement relating to the potential distributions by the Company are merely indicative and not definitive. Your Directors will consider the

amount of the distribution(s) 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. The Directors understand from the BIH directors that they hope that BIH will make the distributions by 31 October 2005.

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

Anthony Baillieu (*Chairman*)*
Jamie Gibson (*Chief Executive Officer*)
Clara Cheung
James Mellon*
Julie Oates #
Mark Searle #
Jayne Sutcliffe*
Anderson Whamond*
Robert Whiting #

** Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 13 July 2005

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