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## **iRegent Group Limited**

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

### **ANNOUNCEMENT**

Further to the Company's announcement on 6 May 2002, the Board confirms that Mr James Mellon and Mr Jamie Gibson, directors of the Company, have informed the Board that they have amicably concluded without result the discussions with KGI International Holdings Limited regarding its proposed offer as such progress expected by KGI had not been made. The Board further notes KGI's announcement dated 13 May 2002 in this regard.

The Company has entered into a shareholders' agreement on 15 May 2002 in the United States with the State of Wisconsin Investment Board regarding the shareholdings of each of them in KoreaOnline Limited, pursuant to which the parties have agreed to explore ways in which to realise their investments in KOL.

At the request of the Company, trading in the Securities of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 9:30 am on 13 May 2002 pending the release of this announcement. Application has been made for trading to resume at 9:30 am on **Friday, 17 May 2002**.

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

In an announcement dated 11 April 2002, the board of directors (the "**Board**") of iRegent Group Limited (the "**Company**") announced that it had been informed by Mr James Mellon and Mr Jamie Gibson, both of whom are directors of the Company, that KGI International Holdings Limited ("**KGI**") was considering making, directly or indirectly, a pre-conditional possible voluntary conditional general offer for all the outstanding shares, warrants and options ("**Securities**") of the Company.

In a further announcement dated 6 May 2002, the Board confirmed that KGI had informed the Company that KGI would terminate the discussions with Mr James Mellon and Mr Jamie Gibson in respect of KGI's proposed pre-conditional possible voluntary conditional general offer for all the outstanding Securities of the Company effective at 10:00 pm (Hong Kong time) on 10 May 2002 unless, in KGI's view, significant progress had been made by them in respect of the above discussions.

The Board confirms that Mr James Mellon and Mr Jamie Gibson have informed the Board that they have amicably concluded without result the discussions with KGI regarding its proposed offer as such progress expected by KGI had not been made. The Board further notes KGI's announcement dated 13 May 2002 in this regard. Although negotiations with KGI were conducted in good faith, the Board's view was that the interests of shareholders of the Company would be better served by the Company working with the State of Wisconsin Investment Board ("**SWIB**") to realise the value of their investments in KoreaOnline Limited ("**KOL**").

In this respect, the Board is pleased to announce that the Company has entered into a shareholders' agreement on 15 May 2002 in the United States with SWIB regarding the shareholdings of the Company and SWIB in KOL (the "**Shareholders' Agreement**"). The Company holds approximately 40 per cent of the issued share capital of KOL and SWIB owns approximately 27 per cent of the issued share capital of KOL. Amongst other things, the Company and SWIB have agreed in the Shareholders' Agreement to explore ways in which to realise their investments in KOL in the most effective and profitable manner. If a sale on terms satisfactory to the Board is agreed, the disposal of the Company's shares in KOL would be a major transaction and would be conditional on approval by the Company's shareholders. Shareholders, including certain directors of the Company, who together hold approximately 36 per cent of the Company's issued ordinary shares, have indicated to the Board that they currently intend to vote in favour of a sale. The Board intends that the benefit of any such sale, including any distribution of proceeds, will be made available to all shareholders of the Company equally.

The Board wishes to express its gratitude to KGI for their expression of interest and their professionalism during negotiations.

The Board also wishes to announce that Mr Jamie Gibson will be appointed as Chief Executive Officer. Mr James Mellon will remain as Chairman.

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On Behalf of the Board of  
**iRegent Group Limited**

**James Mellon**  
Chairman

Hong Kong, 16 May 2002

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, their opinions expressed in this announcement have been arrived at after due and careful consideration, and that there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.*