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iRegent Group Limited

(Incorporated in the Cayman Islands with limited liability)

MAJOR TRANSACTION

Cancellation of the disposal of interest in KoreaOnline Limited

The Directors have decided to cancel the Disposal, and the Company will continue to own 18 million shares in KOL, representing approximately 40.2% of its total issued share capital.

The directors (the "Directors") of iRegent Group Limited (the "Company") refer to an announcement issued by the Company on 24 April 2001 in respect of a further extension of the date, from 27 April 2001 to 15 May 2001, for the despatch of a circular containing details of the proposed disposal (the "Disposal") of the Company's entire holding of 18 million shares in KoreaOnline Limited ("KOL") to Abraxas Capital Limited for a consideration of US\$180 million (approximately HK\$1,404 million) pursuant to a share sale and purchase agreement dated 5 January 2001 (the "Sale and Purchase Agreement") entered into between (i) the Company as vendor; (ii) Abraxas Capital Limited as purchaser and (iii) KOL, which was announced by the Company on 5 January 2001. The Disposal would have constituted a major transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and been subject to, inter alia, shareholders' approval at its extraordinary general meeting.

The Directors have decided to cancel the Disposal due to a number of factors, including but not limited to, (i) a marked change in the circumstances in Korea since the Disposal was first announced to shareholders on 5 January 2001, including a number of changes in the management of KOL and its subsidiaries and associates, which the Directors believe will result in the long term future success of KOL, (ii) the inability of the KOL management to satisfy, by the extended deadline to 15 May 2001, the conditions precedent of the Sale and Purchase Agreement as referred to in the announcement dated 5 January 2001, and (iii) the views of certain shareholders that the Disposal was not in the best interests of the Company as they believe that, in the changed circumstances in Korea, a better long term result would be obtained by the Company in remaining as a voting shareholder of KOL rather than as its non-voting bondholder. Accordingly, the Directors, including the independent non-executive Directors, believe that it is in the best interests of shareholders that the Disposal is cancelled forthwith. Therefore, the Company will continue to own 18 million shares in KOL, representing approximately 40.2% of its total issued share capital.

The Korean stock market has fallen sharply over the past year and its currency has fallen too. Conditions in the financial sector remain difficult. In addition, KOL had to cope with the particular problems in its 42.4% owned merchant banking affiliate, Regent Merchant Bank ("RMB"), that was the victim of an illegal loan. This, in turn, prevented a necessary capital injection into KOL's insurance subsidiary, Regent Insurance Co Ltd ("RIC"). RMB announced on 11 May 2001 a merger with Tong Yang Investment Bank, another merchant bank in Korea. RIC is now under government supervision and KOL expects the full loss of that business. The loss of RIC business is approximately US\$65 million (approximately HK\$507 million) after writing off a goodwill of US\$126 million (approximately HK\$982.8 million) representing RIC's net carrying value in KOL's accounts as at 30 September 2000. Such loss has been provided in the accounts of KOL for the year ended 31 March 2001. The directors of KOL have confirmed that its two main securities companies, Ileun Securities Co Ltd ("Ileun Securities") and Regent Securities Co Ltd ("Regent Securities"), which represent the most significant part of the assets of KOL, are both operating normally at the current time. They also have significant cash resources and no significant debts.

After completing its restructuring, KOL's core business activity will comprise its two securities businesses. There is considerable online capability in Ileun Securities and KOL plans to build on that capability. Although the loss of RIC means that selling insurance as principal will no longer be possible, KOL still intends to continue online sales of insurance, on an agency basis assuming the appropriate agency arrangements can be successfully negotiated. The online financial integration strategy will therefore continue to be KOL's goal although the scope of business will be more limited than before.

The Directors have no present or proposed need or intention to have the Company offer any financial support to KOL, and on the basis of information provided to the Company by the directors of KOL, the KOL group should be capable of financing its own future activities.

As stated in the announcement dated 24 April 2001, the Sale and Purchase Agreement will terminate on 31 May 2001. The cancellation of the Disposal would not result in any material adverse impact on the financial and operating position of the Company.

Note: In this announcement, for reference only and unless otherwise specified, the conversion of United States dollars into Hong Kong dollars is calculated at the conversion rate of US\$1.00 to HK\$7.80.

On Behalf of the Board of
iRegent Group Limited

Daniel Chan
Director

Hong Kong, 14 May 2001