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## **REGENT PACIFIC GROUP LIMITED**

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

**(Stock code: 0575)**

### **ANNOUNCEMENT OF THE EXECUTION OF AN ACQUISITION AGREEMENT RELATING TO THE DISPOSAL OF SHARES IN BRIDGE SECURITIES CO., LTD**

Further to the announcement by the Company dated 28 December 2004, on 14 February 2005 (Korean time) BIH Group (40.2% owned by the Company), along with RPCA and SWIB, entered into the Acquisition Agreement with Leading, an independent third party, for the disposal of BIH Group's, RPCA's and SWIB's entire shareholding of common shares in Bridge, equal to an amount of 62,341,329 common shares. As announced on 28 December 2004, Leading was previously identified as a potential purchaser of BIH Group's 77.75% interest in Bridge. In this regard, pursuant to the Acquisition Agreement, BIH Group has agreed to dispose of its 77.75% shareholding in Bridge and RPCA and SWIB have agreed to dispose of their respective 0.47% and 8.64% interests in Bridge for a total cash consideration of KRW 131 billion (US\$127.8 million or HK\$996.8 million), to be shared among the Sellers on a pro rata basis according to their respective shareholding interests. Accordingly, the amounts to be received by the BIH Group and RPCA before Korean taxes will be approximately KRW 117.3 billion (US\$114.4 million or HK\$892.3 million) and KRW 706.2 million (US\$0.7 million or HK\$5.5 million) respectively.

All consideration to be paid will be subject to Korean securities transaction tax at the rate of 0.5% of the consideration and other Korean taxes if applicable. The consideration comprises both an up front cash payment of KRW 2 billion (US\$1.95 million or HK\$15.2 million), payable within 5 business days of signing the Acquisition Agreement, and a deferred payment of KRW 129 billion (US\$125.9 million or HK\$982 million), payable after the relevant interests have been sold but within 15 business days of completion of the contemplated merger between Bridge and Leading. The disposal of the before mentioned interests in Bridge and payment of the KRW 129 billion deferred consideration is subject to a number of conditions, including execution and completion of a merger agreement between Bridge and Leading, Korean regulatory approvals, shareholders' approvals required under Korean law (from both Bridge and Leading shareholders) and completion of a due diligence exercise by Bridge on Leading in connection with the contemplated merger.

**While the Acquisition Agreement has been signed, there can be no assurance, however, that the conditions to the disposal and payment of the deferred consideration will be satisfied. Shareholders and potential investors should note that discussions between Bridge and Leading, as to the terms of the merger, are still ongoing and that no definitive merger agreement has been entered into. Therefore, there can be no assurance that the execution of the Acquisition Agreement will result in a successful realisation of the Sellers' respective interests in Bridge.**

Further announcements will be made as and when appropriate.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 14 February 2005 pending release of this announcement. Application has been made for trading to resume at **9:30 a.m. on Wednesday, 16 February 2005. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Further to the announcement by Regent Pacific Group Limited (the "**Company**") and collectively with its subsidiaries, the "**Group**") dated 28 December 2004, the directors of the Company (the "**Directors**" or the "**Board**") are pleased to announce that on 14 February 2005 (Korean time) Bridge Investment Holding Limited ("**BIH**", a 40.2% owned associate of the Company) has, through three of its wholly owned subsidiaries (together with BIH, the "**BIH Group**"), along with RPCA (L) Limited ("**RPCA**"), a wholly owned subsidiary of the Company, and the State of Wisconsin Investment Board ("**SWIB**", and together with the BIH Group and RPCA, the "**Sellers**"), entered into an acquisition agreement and other documents in connection with the transactions contemplated by the acquisition agreement (together the "**Acquisition Agreement**") with Leading Investment and Securities Co., Ltd ("**Leading**"), an independent third party, for the disposal of the Sellers' entire shareholding of common shares in Bridge Securities Co., Ltd ("**Bridge**"), equal to an amount of 62,341,329 common shares. Pursuant to the Acquisition Agreement, BIH Group has agreed to dispose of its 77.75% shareholding in Bridge and RPCA and SWIB have agreed to dispose of their respective 0.47% and 8.64% interests in Bridge for a total cash consideration of KRW 131 billion (US\$127.8 million or HK\$996.8 million), to be shared among the Sellers on a pro rata basis according to their respective shareholding interests. Accordingly, the amounts to be received by the BIH Group and RPCA before Korean taxes will be approximately KRW 117.3 billion (US\$114.4 million or HK\$892.3 million) and KRW 706.2 million (US\$0.7 million or HK\$5.5 million) respectively.

All consideration to be paid will be subject to Korean securities transaction tax at the rate of 0.5% of the consideration and other Korean taxes if applicable. The consideration comprises both an up front cash payment of KRW 2 billion (US\$1.95 million or HK\$15.2 million), payable within 5 business days of the date of the Acquisition Agreement, and a deferred payment of KRW 129 billion (US\$125.9 million or HK\$982 million), payable after the relevant interests have been sold but within 15 business days of completion of the

contemplated merger between Bridge and Leading. Shareholders should note that the disposal of the Sellers' interests in Bridge and payment of the KRW 129 billion deferred consideration is subject to a number of conditions, including, without limitation, the following:

1. Completion of a due diligence exercise by Bridge on Leading in connection with the contemplated merger.
2. Korean regulatory approvals, of both the disposal of the Sellers' interests in Bridge and the contemplated merger between Bridge and Leading.
3. Shareholders' approvals required under Korean law (from both Bridge and Leading shareholders).
4. Execution of a merger agreement and completion of the contemplated merger between Bridge and Leading, including the execution of related security documents.

Upon completion of the disposal and subsequent merger of Leading and Bridge, the Acquisition Agreement provides for the Sellers to be granted security in support of payment of the deferred consideration. The form of security to be granted to the Sellers takes various forms, including a share pledge over the Sellers' interests in Bridge to be transferred to Leading, a pledge over discrete assets of Bridge, proxies over shares in both Leading and Bridge granted in favour of the Sellers and retained control of Bridge's board of directors. Each of the before mentioned security arrangements are contemplated as falling away upon payment (in full) of the deferred consideration. If the deferred consideration is not paid on the day prescribed by the Acquisition Agreement, then the Sellers shall be entitled to (i) enforce the before mentioned security arrangements to recover any unpaid sum; (ii) interest on any amount still outstanding and/or (iii) terminate the Acquisition Agreement and recover damages for breach of contract. The Acquisition Agreement affords the Sellers other termination rights, including the right to terminate where the conditions have not been satisfied by 3 months from the date of the Acquisition Agreement.

Given the nature of the above conditions, including the contemplated merger, it is difficult to predict when the disposal may complete. However, the Directors understand that the BIH Group is hopeful of receiving (in full) the deferred consideration by 31 July 2005. As at the date of this announcement, the Company has not yet received any financial information from the BIH Group, which would enable it to accurately quantify the financial impact that this transaction would have on the Group's financial statements. Further announcements will be made as and when appropriate. The BIH Group had contributed a loss of US\$13.5 million (HK\$105 million) to the Group's loss of US\$14.3 million (HK\$111.2 million) for the six-month period ended 30 September 2004 and it had contributed a profit of US\$6.7 million (HK\$52.1 million) to the Group's profit of US\$5.1 million (HK\$39.6 million) for the financial year ended 31 March 2004.

**While the Acquisition Agreement has been signed, there can be no assurance, however, that the conditions to the disposal and payment of the deferred consideration will be satisfied. Shareholders and potential investors should note that discussions between**

**Bridge and Leading, as to the terms of the merger, are still ongoing and that no definitive merger agreement has been entered into. Therefore, there can be no assurance that the execution of the Acquisition Agreement will result in a successful realisation of the Sellers' respective interests in Bridge.**

Leading and its controlling shareholder are independent third parties.

BIH is an investment holding company that was incorporated in the Cayman Islands on 14 September 1999 with limited liability. The Company holds 40.2% of the issued share capital of BIH and SWIB owns 26.8% of the issued share capital of BIH. Third parties hold the remaining interests in the issued share capital of BIH. SWIB currently holds 7.46% of the total issued voting share capital of the Company. It is the Directors' understanding that after the disposal BIH will (i) cease its activities as an investment holding company; (ii) distribute its surplus assets to its shareholders; and (iii) wind up its affairs in an orderly manner.

The BIH Group owns 77.75% of the issued share capital of Bridge, a company incorporated in Korea and whose shares are listed on the Korea Exchange. SWIB and RPCA own directly 8.64% and 0.47% of the issued share capital of Bridge respectively. 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.

In the event that the BIH Group successfully realises its interest in Bridge and 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 and corporate investment. Shareholders should note that it is still the Directors' current intention that 90% of the proceeds received from the realisation by BIH of its indirect interest in Bridge will be distributed to all shareholders.

Further announcements will be made as and when appropriate.

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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<sup>#</sup>

Mark Searle<sup>#</sup>

Jayne Sutcliffe\*

Anderson Whamond\*

Robert Whiting<sup>#</sup>

\* *Non-Executive Directors*

# *Independent Non-Executive Directors*

Hong Kong, 15 February 2005

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