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REGENT PACIFIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0575)

UPDATE ON THE DISPOSAL OF SHARES IN BRIDGE SECURITIES CO., LTD AND ITS MERGER WITH LEADING INVESTMENT AND SECURITIES CO., LTD

The FSC did not approve the acquisition by Leading of 62,341,329 common shares of Bridge and the merger between Bridge and Leading at its meeting held on 27 May 2005.

Bridge's external auditor has delivered a disclaimer on its opinion in respect of Bridge's financial statements for the year ended 31 March 2005. Accordingly, the Korea Exchange suspended the trading of Bridge's shares with effect from 9:30 am on Wednesday, 25 May 2005. The Directors understand from BIH that unless the auditor's disclaimer is withdrawn by 8 June 2005, the Korea Exchange will commence the compulsory delisting of Bridge's shares.

The annual general meeting of Bridge was held on 1 June 2005, and resolutions for shareholders to consider and, if thought fit, approve the voluntary dissolution, the appointment of liquidator(s) and the suspension and closure of the securities business of Bridge were adjourned to 8 June 2005. BIH directors have indicated that BIH's subsidiaries will vote in favour of these resolutions at the Adjourned AGM in respect of their, in aggregate, 77.75% interest in Bridge. If the voluntary dissolution resolution is passed by Bridge's shareholders at the Adjourned AGM, the Sellers' interests in Bridge will be realised through distribution(s) received from Bridge on its dissolution. However, the proposed voluntary dissolution of Bridge will not preclude the Sellers from selling their respective interests in Bridge to other potential buyer(s).

An assessment notice was received by BIH from the National Tax Service of Korea in respect of the withholding tax in the amount of KRW 5.3 billion (approximately US\$5.24 million or HK\$40.8 million) payable by BIH on the deemed dividends received from Bridge in 2004. BIH expects that it will be issued with another two assessments of withholding tax in aggregate of KRW 700 million (approximately US\$0.7 million or HK\$5.4 million) in respect of the deemed dividends received in the years of assessment of 2000 and 2003. The Company's attributable share of the total tax liability is approximately US\$2.4 million (approximately HK\$18.7 million).

The Seoul Central District Court has dismissed the first injunction filed by the applicants allegedly representing 3.02% of Bridge's total outstanding shares seeking dismissal of certain directors of Bridge. The applicants have withdrawn their second injunction application on 31 May 2005 in respect of the nullification of the board resolutions of Bridge relating to the merger of Leading and Bridge. There have been no recent developments in respect of the remaining legal proceeding relating to the criminal complaint filed on 17 March 2005 (and additional charges on 13 April 2005) and as announced by the Company on 9 May 2005.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 am on Monday, 30 May 2005 pending release of this announcement. Application has been made for trading to resume at **9:30 am on Thursday, 2 June 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**").

The directors (the "**Directors**" or the "**Board**") of Regent Pacific Group Limited (the "**Company**") refer to the announcements by the Company:

- (i) dated 15 February 2005 with respect to the Acquisition Agreement dated 14 February 2005 between (a) the BIH Group; (b) RPCA, a wholly owned subsidiary of the Company; and (c) SWIB, collectively as Sellers and (d) Leading as buyer in relation to the acquisition by Leading of, in aggregate, 62,341,329 common shares of Bridge at a cash consideration of KRW 131 billion (approximately US\$127.8 million or HK\$996.8 million);
- (ii) dated 1 April 2005 with respect to the Merger Agreement dated 31 March 2005 between Bridge and Leading; and
- (iii) dated 9 May 2005 with respect to an update on the Acquisition and the Merger.

Unless otherwise defined herein, terms used in this announcement have the same meanings as those defined in the announcements referred to above.

The Directors wish to provide a further update on the current status of the Acquisition and the Merger.

1. **DISAPPROVAL OF THE ACQUISITION AND MERGER BY THE FINANCIAL SUPERVISORY COMMISSION OF KOREA (THE "FSC")**

The Directors were informed by BIH on 27 May 2005 that, after taking into consideration the asset structure, the underlying business strength and other relevant aspects of the proposed Merger, the FSC determined that the merger objectives as envisioned by Leading lacked substance given Leading's unrealistic business plans and doubts about its viability as a full service securities company. Therefore, the FSC did not approve the proposed Merger between Leading and Bridge at its meeting on 27 May 2005.

2. **PROPOSED DELISTING AND DISSOLUTION OF BRIDGE**

Bridge's external auditor has delivered a disclaimer on its opinion in respect of Bridge's financial statements for the year ended 31 March 2005 due to the uncertainty that Bridge would remain as a going concern for the next twelve months ending 31 March 2006, which is a result of the proposal for the voluntary dissolution of Bridge and, at the time of the issuance of the audit opinion, the uncertainty of whether the FSC would approve the Merger with Leading. Accordingly, the Korea Exchange suspended the trading of Bridge's shares with effect from 9:30 am on Wednesday, 25 May 2005. The Directors understand from BIH that unless the auditors' disclaimer is withdrawn by 8 June 2005, the Korea Exchange will commence the compulsory delisting of Bridge's shares.

The annual general meeting of Bridge was held on 1 June 2005, and resolutions for shareholders to consider and, if thought fit, approve the voluntary dissolution, the appointment of liquidator(s) and the suspension and closure of the securities business of Bridge were adjourned to 8 June 2005 (the "**Adjourned AGM**"). BIH directors have indicated that BIH's subsidiaries will vote in favour of these resolutions at the Adjourned AGM in respect of their, in aggregate, 77.75% interest in Bridge. If the voluntary dissolution resolution is passed by Bridge's shareholders at the Adjourned AGM, the Sellers' interests in Bridge will be realised through distribution(s) received from Bridge on its dissolution. However, the proposed voluntary dissolution of Bridge will not preclude the Sellers from selling their respective interests in Bridge to other potential buyer(s).

At this time, the Directors believe that it is not practicable for BIH to accurately quantify the impact of the proposed voluntary dissolution of, as opposed to a sale, Bridge on its financial statements. Consequently, the Company cannot quantify the financial impact that the proposed voluntary dissolution of Bridge would have on the Group's financial statements. Further announcements will be made as and when appropriate.

3. **WITHHOLDING TAX**

The Directors were also notified by the board of BIH on 25 May 2005 that an assessment notice was received by it on the same date from the National Tax Service of Korea in respect of the withholding tax in the amount of KRW 5.3 billion (approximately US\$5.24 million or HK\$40.8 million) payable by BIH on the deemed dividends received from Bridge in 2004. Payment of such withholding tax will be due on 20 June 2005.

In addition, according to the estimation of BIH's tax advisers, BIH expects that it will be issued with another two assessments of withholding tax in aggregate of KRW 700 million (approximately US\$0.7 million or HK\$5.4 million) in respect of the deemed dividends received in the years of assessment of 2000 and 2003. Delay in payment of the withholding taxes is subject to interest at 10% on the outstanding amount of the taxes.

The Company's attributable share of the total tax liability is approximately US\$2.4 million (approximately HK\$18.7 million).

4. LEGAL PROCEEDINGS

The Directors understand from BIH that the Seoul Central District Court has dismissed the first injunction filed by the applicants allegedly representing 3.02% of Bridge's total outstanding shares seeking dismissal of certain directors of Bridge on the grounds that (i) the applicants lack standing; (ii) no evidence to support alleged illegal activities by the respondents; and (iii) no evidence to support that the shareholders have abused their right. The applicants have withdrawn their second injunction application on 31 May 2005 in respect of the nullification of the board resolutions of Bridge relating to the merger of Leading and Bridge. There have been no recent developments in respect of the remaining legal proceeding relating to the criminal complaint filed on 17 March 2005 (and additional charges on 13 April 2005) and as announced by the Company on 9 May 2005.

In view of the materiality of the FSC's decision, the Company has requested that trading in the shares of the Company on the Stock Exchange be suspended with effect from 9:30 am on Monday, 30 May 2005 pending release of this announcement. Application has been made for trading to resume at **9:30 am on Thursday, 2 June 2005. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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, 1 June 2005

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