

Thursday, 24 January 2002

**FIRST PACIFIC CANCELS US\$5 MILLION OF BONDS
Market purchases now ceased**

First Pacific Company Limited announced today that it has purchased and canceled a further US\$5 million of its outstanding convertible bonds, for a total cost of approximately US\$6 million.

As a consequence of this transaction, the outstanding face value of convertible bonds is reduced to US\$130 million, from US\$135 million, and the total amount payable upon their redemption, including accrued interest and redemption premium, is reduced to US\$176 million, from US\$183 million.

These transactions conclude the open market purchases, by ING Barings on behalf of First Pacific, which was announced on 16 January 2002. Through these purchases of its convertible bonds in the market, First Pacific has in total purchased and canceled US\$68 million of the outstanding convertible bonds, for a total cost of approximately US\$91 million. Prior to this, First Pacific had canceled US\$152 million of outstanding convertible bonds, for a total cost of approximately US\$161 million.

First Pacific is now making arrangements to deposit, with the appointed trustee of the convertible bonds, sufficient funds to fully redeem all of the outstanding bonds upon maturity on 27 March 2002.

Background:

In March 1997, US\$350 million of five-year convertible bonds were issued by First Pacific Capital (1997) Limited, a wholly-owned subsidiary of First Pacific, at a coupon rate of 2 per cent. The bonds may be converted into shares of First Pacific up until March 2002 at a strike price of HK\$12.25 per share, and are redeemable at a price of 134.129 per cent of face value.

First Pacific has to date canceled approximately 63 per cent of the amount originally issued, and has accrued the premium to maturity since 1997.

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