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FIRST PACIFIC COMPANY LIMITED
(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

**REVISED PLANS FOR THE REPAYMENT OF
OUTSTANDING CONVERTIBLE BONDS**

First Pacific announces revised plans for the repayment of its outstanding Bonds. After discussions with the Trustee that involved a consideration of the likely delays involved in effecting an expedited formal tender offer for the Bonds, as proposed in First Pacific's announcement dated 9th January, 2002, First Pacific has decided not to proceed with such proposal. Instead, First Pacific has appointed ING Barings, as its agent, to make open market purchases of Bonds, at such prices as may be agreed between ING Barings and any selling Bondholders. ING Barings is under no obligation to purchase any Bonds on behalf of the Company from any Bondholder. Any of the Bondholders electing not to sell the Bonds to ING Barings during this period will be able to redeem the Bonds on 27th March, 2002. To the extent that, following completion of this exercise on or before 23rd January, 2002, any Bonds remain outstanding, First Pacific will deposit sufficient funds with the Trustee on 23rd January, 2002 to redeem those Bonds which remain outstanding at their full redemption value payable on maturity of the Bonds, on 27th March, 2002, plus accrued interest. Such amount would be held by the Trustee on trust for the Bondholders and would be paid to the Bondholders on maturity of the Bonds, on 27th March, 2002. As First Pacific has the necessary resources to effect full repayment of the Bonds, the deposit of these funds with the Trustee should serve to allay any concerns that might exist with respect to First Pacific's ability to pay the Bonds on maturity.

Reference is made to First Pacific's announcement of 9th January, 2002, which outlined the Company's intention to make a tender offer for all of the Bonds outstanding.

First Pacific has discussed with the Trustee the Company's intention to make a tender offer for all the Bonds outstanding. In this regard, given the protracted nature of the procedures necessary to effect a formal tender offer for the Bonds, First Pacific believes that it would be in the best interests of its shareholders and the Bondholders not to proceed with the proposal to make a formal tender offer for the Bonds and has instead appointed ING Barings, as its agent, to make open market purchases of Bonds from those Bondholders wishing to sell, at such prices as may be agreed between ING Barings and any selling Bondholders. ING Barings is under no

obligation to purchase any Bonds on behalf of the Company from any Bondholder. Any of the Bondholders electing not to sell the Bonds to ING Barings during this period will be able to redeem the Bonds on 27th March, 2002. To the extent that, following completion of this exercise on or before 23rd January, 2002 any Bonds remain outstanding, First Pacific will arrange for funds sufficient to redeem those outstanding Bonds in full on their maturity to be deposited with the Trustee on 23rd January, 2002, to be held on trust for the Bondholders and paid to Bondholders on the maturity date of the Bonds, which is 27th March, 2002. As First Pacific has the necessary resources to effect full repayment of the Bonds, the deposit of these funds with the Trustee should serve to allay any concerns that might exist with respect to First Pacific's ability to pay the Bonds on maturity.

There are currently outstanding Bonds in the principal amount of US\$198 million (HK\$1.54 billion) which, in the event they are not purchased by ING Barings as described above, will be repaid at maturity on 27th March, 2002, at a total cost, including interest and redemption premium, of approximately US\$268 million (HK\$2.09 billion). As previously announced on 9th January, 2002, repayment of the outstanding Bonds will be funded by a combination of cash on hand and by drawing down sufficient funds from the Company's HK\$1.56 billion (US\$200 million) loan facility which was announced on 5th November, 2001.

Definitions

In this Announcement, unless the context otherwise requires, the following expressions have the following meanings: -

“Bonds”	2 per cent guaranteed convertible bonds, in the original issued amount of US\$350 million (HK\$2.7 billion), issued by First Pacific Capital (1997) Limited, a wholly-owned subsidiary of First Pacific, and guaranteed by First Pacific. The Bonds are redeemable on 27th March, 2002, at a price of 134.129 per cent of face value plus accrued interest and, to date, First Pacific has purchased for cancellation approximately 43 per cent of the amount originally issued;
“First Pacific” or “the Company”	First Pacific Company Limited;
“ING Barings”	ING Barings, a division of ING Bank N.V.; and
“Trustee”	the trustee appointed in respect of the Bonds under the trust deed pursuant to which the Bonds were created.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Ronald A. Brown
Executive Director and Company Secretary

Hong Kong, 16th January, 2002

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.