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**FIRST PACIFIC
COMPANY LIMITED**

(Incorporated in Bermuda with limited liability)



**FPB BANK HOLDING
COMPANY LIMITED**

**CONNECTED TRANSACTION
Sale and Purchase of Investment Interest**

First Pacific and the Bank have entered into an agreement on 20 December 2000 for the transfer of the Bank's interest in China Investment, whose primary asset is the China Club, in Hong Kong. Such transfer constitutes a connected transaction of both Holdco and First Pacific under Chapter 14 of the Listing Rules.

The Boards of Directors of both First Pacific Company Limited ("First Pacific") and FPB Bank Holding Company Limited ("Holdco") announce that First Pacific and First Pacific Bank Limited (the "Bank") have entered into an assignment on 20 December 2000 in relation to the disposal of the Bank's entire interest in China Investment Incorporations (BVI) Limited ("China Investment"), which is the holding company established in 1991 of the China Club, in Hong Kong. The consideration received by the Bank will be used as general working capital.

Pursuant to an assignment dated 20 December 2000, the Bank assigned to First Pacific at cost its entire one-third beneficial interest in 83,333 shares of US\$1.00 each, representing approximately a 10.7 per cent interest of the issued share capital of China Investment. This interest was acquired by the Bank, in 1991, at a cost of approximately US\$277,777.67 but was registered in the name of First Pacific, as a founding member of the China Club, in Hong Kong.

Reference is made to the announcement of First Pacific dated 20 November 2000. As stated in the announcement, First Pacific executed an Irrevocable Undertaking (the "Irrevocable Undertaking") with The Bank of East Asia, Limited ("BEA") for FPMF Limited ("FPMF"), a company in which First Pacific then had an 80.88 per cent interest, to accept the voluntary conditional offer (the "Offer") in respect of a 75 per cent attributable interest in Holdco to be effectively held by FPMF

upon completion of its acquisition from MIMET FOTIC Investment Limited of its attributable 33.75 per cent interest in Holdco. As one of the terms of the Irrevocable Undertaking, First Pacific has undertaken with BEA, among other things, to procure the Bank to dispose of its entire beneficial interest in the share capital of China Investment prior to the date of despatch of an offer document in respect of the Offer by BEA. Subsequently, First Pacific and the Bank decided that First Pacific will purchase such interest from the Bank and the transaction was then entered into by the parties pursuant to the said undertaking. By entering into the transaction, First Pacific discharged the above obligation under the Irrevocable Undertaking.

First Pacific is a substantial shareholder of Holdco, of which the Bank is a wholly-owned subsidiary, resulting in each of First Pacific, Holdco and the Bank being a connected person of the other, in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The above assignment of interest constitutes a connected transaction for each of First Pacific and Holdco under Chapter 14 of the Listing Rules. Both First Pacific and Holdco will respectively include details of the transaction in their next published annual reports and accounts in accordance with rule 14.25(1) of the Listing Rules and comply with any other applicable requirements of the Listing Rules.

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

By Order of the Board
FPB BANK HOLDING COMPANY LIMITED
Jessica Tse
Corporate Secretary

Hong Kong, 27 December 2000

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