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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **POSSIBLE VOLUNTARY OFFER BY THE BANK OF EAST ASIA, LIMITED TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF FPB BANK HOLDING COMPANY LIMITED**

### **IRREVOCABLE UNDERTAKING TO ACCEPT THE OFFER IN RESPECT OF 75 PER CENT OF THE ISSUED SHARE CAPITAL OF FPB BANK HOLDING COMPANY LIMITED**

### **CONNECTED TRANSACTION**

Further to its latest announcement dated 23 October 2000, the Board of Directors of First Pacific now announces that it has ceased discussions with the interested parties referred to in that announcement and has reached an agreement with BEA such that (subject to the satisfaction or waiver of certain pre-conditions) BEA intends to make a voluntary conditional cash offer to acquire the entire issued share capital of FPB Holdings.

The Offer, if made, will comprise HK\$3.50 in cash for each Share.

First Pacific's subsidiary, FPMF, has given the Offeror an Irrevocable Undertaking to accept the Offer in respect of all 636,480,000 Shares held by FPMF, representing 51 per cent of the issued share capital of FPB Holdings. In addition, it is a term of the Offer to be made under the Irrevocable Undertaking that the Offeror also acquires the 299,520,000 Shares directly held by MFIL, representing 24 per cent of the issued share capital of FPB Holdings. Such acquisition would result in the Offeror acquiring an aggregate of 936,000,000 Shares, representing 75 per cent of the issued share capital of FPB Holdings.

In order to facilitate the simultaneous sale of the combined 75 per cent interests of First Pacific and MFIL in FPB Holdings, First Pacific has also entered into a Sale and Purchase Agreement with MFIL, whereby First Pacific will purchase, at the Offer Price, the 299,520,000 Shares directly held by MFIL and immediately on-sell those shares to the

Offeror under the Offer. The Sale and Purchase Agreement also provides for the acquisition by First Pacific of MFIL's 19.12 per cent interest in FPMF on equivalent terms.

The making of the Offer is conditional upon, among other things, the approval by the Monetary Authority in relation to, without limitation, the proposed acquisition of the Shares by the Offeror. Further, the Offer itself will be subject to it being accepted by shareholders of FPB Holdings in respect of 75 per cent of the issued share capital of FPB Holdings and of voting rights which may be exercised at general meetings of FPB Holdings. The Offeror reserves the right to lower the minimum acceptance condition to 50.1 per cent of the issued share capital of FPB Holdings.

**WARNING: As the making of the Offer is subject to satisfaction or waiver of the Pre-Conditions, and therefore the Offer may or may not be made, First Pacific shareholders and investors generally should exercise caution when buying or selling shares of First Pacific.**

## INTRODUCTION

Further to its latest announcement dated 23 October 2000, the Board of Directors of First Pacific now announces that it has ceased discussions with the interested parties referred to in that announcement and has reached an agreement with BEA, an independent third party not connected with First Pacific, its directors, chief executives or substantial shareholders, or any of its subsidiaries or an associate of any of them, such that (subject to the satisfaction or waiver of certain pre-conditions) BEA intends to make a voluntary conditional cash offer to acquire the entire issued share capital of FPB Holdings.

First Pacific's subsidiary, FPMF, has given the Offeror an Irrevocable Undertaking (see "Irrevocable Undertaking" below) to accept the Offer in respect of 514,800,000 Shares effectively held by First Pacific and 421,200,000 Shares to be effectively held by First Pacific following completion of the Sale and Purchase Agreement (see "Sale and Purchase Agreement" below), which together represent 75 per cent of the issued share capital of FPB Holdings.

Simultaneous with the execution of the Irrevocable Undertaking, First Pacific has entered into a Sale and Purchase Agreement with MFIL in order to facilitate a simultaneous sale to BEA of the entire combined 75 per cent direct and indirect interests of First Pacific and MFIL in FPB Holdings. Under the Sale and Purchase Agreement, First Pacific will purchase MFIL's 33.75 per cent attributable interest in FPB Holdings at the same price to be paid by the Offeror under the Offer and will then tender the relevant Shares so acquired to the Offeror under the Offer. MFIL will receive the purchase price for the Shares so acquired direct from the Offeror pursuant to an escrow arrangement designed to facilitate the simultaneous completion of the Irrevocable Undertaking and the Sale and Purchase Agreement.

**As the making of the Offer is subject to the satisfaction or waiver of certain Pre-Conditions (see "Pre-Conditions to the Offer" below), all references to the "Offer" in this announcement (the "Announcement") refer to the possible Offer which may be made if and when such Pre-Conditions are satisfied (or, if applicable, waived).**

## THE OFFER

## **Offer**

A voluntary, conditional cash offer for all Shares.

## **Offer Price**

**For each Share      HK\$3.50 in cash**

## **Comparison of Value**

The cash consideration of HK\$3.50 per Share represents:

- (i) a premium of approximately 12.9 per cent over the closing price of HK\$3.10 per Share, as quoted on the Stock Exchange on 20 November 2000, being the last trading day for Shares prior to this Announcement;
- (ii) a premium of approximately 66.7 per cent over the closing price of HK\$2.10 per Share, as quoted on the Stock Exchange on 23 August 2000, being the day of the announcement by FPB Holdings and First Pacific on the possibility of a sale of First Pacific's effective 41.25 per cent interest in FPB Holdings;
- (iii) a premium of approximately 23.2 per cent, 27.9 per cent and 31.7 per cent over the average prices of HK\$2.84, HK\$2.74 and HK\$2.66 per Share as quoted on the Stock Exchange for the 20, 40 and 60 trading days, respectively, immediately prior to and including the last trading day prior to this Announcement;
- (iv) a premium of approximately 52 per cent over the audited net asset value per Share of HK\$2.31 for the year ended 31 December 1999.

## **Highest and Lowest Prices**

During the six month period preceding the date of this Announcement, the highest closing price of Shares as quoted on the Stock Exchange was HK\$3.10 per Share on 20 November 2000, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$1.06 per Share on 30 May 2000.

## **Total Consideration**

On the basis of the consideration of HK\$3.50 per Share, the entire issued capital of FPB Holdings is valued at approximately HK\$4,368 million. The consideration for First Pacific's attributable 41.25 per cent interest in FPB Holdings held prior to the completion of the Sale and Purchase Agreement, net of stamp duty, will amount to approximately HK\$1.8 billion or US\$231 million.

The Offeror's financial advisor is satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the Offer. The Offer will be financed out of internal resources of the Offeror.

## **Terms of the Offer**

Under the Offer, the Shares will be acquired with all rights attached thereto as at the date on which the Offer is made or subsequently becoming attached thereto and free of all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

## **THE SALE AND PURCHASE AGREEMENT**

First Pacific owns approximately 80.88 per cent of the issued share capital of FPMF, which in turn owns 51 per cent of the issued share capital of FPB Holdings. MFIL owns the balance of approximately 19.12 per cent of the issued share capital of FPMF and a direct interest of 24 per cent in FPB Holdings. It is a condition of the Offer that acceptances be received in respect of 75 per cent of the issued share capital of FPB Holdings. In order to facilitate the simultaneous sale of First Pacific's 41.25 per cent attributable interest in FPB Holdings and MFIL's 33.75 per cent attributable interest in FPB Holdings, First Pacific has agreed to execute a Sale and Purchase Agreement with MFIL for the purchase by FPMF of the 24 per cent interest in FPB Holdings held by MFIL and purchase by FP Bancshares of the 19.12 per cent interest in FPMF held by MFIL. The purchase from MFIL of its 33.75 per cent attributable interest in FPB Holdings would be made at the Offer Price and the consideration will be paid by the Offeror direct to MFIL pursuant to an escrow arrangement.

The completion of the Sale and Purchase Agreement is conditional upon the following:

- (i) the obtaining of the approval by MFIL from the People's Bank of China in respect of the sale of MFIL's entire 33.75 per cent direct and indirect interest in FPB Holdings to First Pacific as contemplated under the Sale and Purchase Agreement and the Escrow Agreement;
- (ii) the obtaining of the approvals by MFIL from the respective head offices of China National Metals and Minerals Import and Export Corporation and China National Chemicals Import and Export Corporation in the People's Republic of China in respect of the transactions contemplated under the Sale and Purchase Agreement and the Escrow Agreement;
- (iii) the parties to the Irrevocable Undertaking having executed and delivered the Irrevocable Undertaking and remaining bound by the terms of the Irrevocable Undertaking at all times up to (and including) the Completion Date and there being no termination of the Irrevocable Undertaking prior to the Completion Date;
- (iv) the parties to the Escrow Agreement having executed and delivered the Escrow Agreement and remaining bound by the terms of the Escrow Agreement at all times up to (and including) the Completion Date and there being no termination of the Escrow Agreement prior to the Completion Date;
- (v) those Pre-Conditions set out in paragraphs (i), (ii), (iii), (iv), (vii), (viii), (ix), (x) and (xi) below having been satisfied and remaining satisfied in all respects at all times up to (and including) the Completion Date;
- (vi) there being no breach of the warranties given by MFIL as set out in Clause 9 of the Sale and Purchase Agreement at any time up to (and including) the Completion Date; and

- (vii) if required under the Listing Rules or by the Stock Exchange, the approval of the transactions contemplated by this Sale and Purchase Agreement and the Escrow Agreement as connected transactions under the Listing Rules by a resolution of those shareholders of FPC not interested in the transactions contemplated by the Sale and Purchase Agreement and the Escrow Agreement duly passed at a special general meeting of shareholders of FPC.

The completion of the Sale and Purchase Agreement is expected to occur on the second Business Day immediately preceding the Despatch Date, with payment being made by the Offeror direct to MFIL under the Offer, in accordance with the provisions of an escrow arrangement no later than the fourth Business Day immediately following Despatch Date, subject to the Offer having become or is declared unconditional on or before the payment date.

If for any reason BEA fails to pay the consideration for the 75 per cent interest net of stamp duty, First Pacific shall not be obliged to purchase and pay for the 33.75 per cent attributable interest of MFIL in FPB Holdings. Rather, First Pacific and MFIL will continue with their current joint shareholding and management arrangement in FPB Holdings.

## **IRREVOCABLE UNDERTAKING**

Simultaneous with the execution of the Sale and Purchase Agreement, First Pacific executed an Irrevocable Undertaking with the Offeror for FPMF to accept the Offer in respect of 514,800,000 Shares effectively held by First Pacific and 421,200,000 Shares to be effectively held by First Pacific following completion of the Sale and Purchase Agreement, which together represent 75 per cent of the issued share capital of FPB Holdings.

The Irrevocable Undertaking will lapse if the Pre-Conditions (other than those Pre-Conditions set out in paragraphs (iii), (iv) and (vii) below) are not satisfied or waived by 31 January 2001, and in relation to Pre-Conditions set out in paragraphs (iii), (iv) and (vii), if any of these is not satisfied (or waived) by 31 January 2001, the date by which such conditions has to be fulfilled (or waived) shall be automatically extended to 19 February 2001, or, if the Offeror requests an extension to this deadline of up to 30 days, such later date as First Pacific may consent to (such consent not to be unreasonably withheld or delayed). The Irrevocable Undertaking will also lapse if the Offer lapses or is withdrawn by reason that the condition relating to the minimum acceptance of the Offer is not satisfied 60 days after the Despatch Date (or such later date as the Executive may consent to).

Immediately following the Despatch Date and completion of the Sale and Purchase Agreement, First Pacific will accept the Offer in respect of the 75 per cent of the issued share capital of FPB Holdings. The consideration payable to First Pacific in respect of its 41.25 per cent interest in FPB Holdings held prior to the completion of the Sale and Purchase Agreement will be settled by the Offeror no later than the fourth Business Day immediately following the Despatch Date, subject to the Offer having become or is declared unconditional on or before the payment date.

## **PRE-CONDITIONS TO AND CONDITION OF THE OFFER**

### **Conditions**

### ***Pre-Conditions to the Offer***

The making of the Offer and the undertaking to accept the Offer are conditional on the satisfaction of the following Pre-Conditions on or before 31 January 2001:

- (i) in connection with the Sale and Purchase Agreement, the receipt of a confirmation from the Executive that neither First Pacific nor any member of its group nor the Offeror is required to make a general offer for all the shares in FPB Holdings under Rule 26 of the Takeovers Code;
- (ii) if required by the Stock Exchange or the Listing Rules, the passing of a resolution by the independent shareholders of First Pacific at a duly convened special general meeting of First Pacific to approve the Sale and Purchase Agreement and the Escrow Agreement, in such manner as may be required under the Listing Rules;
- (iii) the obtaining of the approval by MFIL from the People's Bank of China in respect of the transactions contemplated under the Sale and Purchase Agreement and the Escrow Agreement;
- (iv) the obtaining of the approvals by MFIL from the respective head offices of China National Metals and Minerals Import and Export Corporation and China National Chemicals Import and Export Corporation in the People's Republic of China in respect of the transactions contemplated under the Sale and Purchase Agreement and the Escrow Agreement;
- (v) completion of the Sale and Purchase Agreement by the parties thereto in accordance with its terms;
- (vi) the execution of the Escrow Agreement by the parties thereto in the agreed terms and the delivery by the parties thereto of all those items required by the terms of the Escrow Agreement to be deposited with the Escrow Agent (as such term is defined in the Escrow Agreement) prior to the Despatch Date;
- (vii) the consent of the Monetary Authority as required under the Banking Ordinance in respect of the Offeror becoming a controller (as such term is defined in such Ordinance) in connection with the Offer and the proposed acquisition of the Shares by the Offeror and in respect of the appointment of the chief executive, alternate chief executives and such directors of FP Bank as are nominated by the Offeror, each being obtained on terms and in form satisfactory to the Offeror;
- (viii) there being no breach of the representations and warranties as set out in Schedule 1 of the Irrevocable Undertaking as at the Despatch Date;
- (ix) the obtaining of all approvals, consents or waivers as are required under the Strategic Outsourcing Agreement dated 1 November 1999 between FP Bank and IBM China/Hong Kong Limited arising as a result of or in connection with the proposed acquisition of the Shares by the Offeror, such approval, consent

or waiver being obtained on terms and in form reasonably satisfactory to the Offeror;

- (x) the consents and approvals referred to in paragraphs (i), (ii), (iii), (iv), (vii) and (ix) above, remaining in full force and effect and there being no intimation of any intention to revoke or not renew or to vary any of the same, in each case at the time at which all the Pre-Conditions are otherwise satisfied; and
- (xi) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency (together, the "Authorities") having taken, or instituted any action, proceedings, suit, investigation or enquiry or enacted, made or proposed and there not continuing to be outstanding any statute, regulation or order or other requirement that would or is likely to make the Offer or any part of it or the acquisition of any of the Shares by the Offeror void, unenforceable or illegal or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Offer or any part of it or the acquisition of any of the Shares or control of FPB Holdings or any other Group Company by the Offeror, or impose any material restriction on the ability of FPB Holdings or any Group Company to conduct their respective businesses, in each case at the time at which all the Pre-Conditions are otherwise satisfied.

If any of the Pre-Conditions set out in paragraphs (iii), (iv) and (vii) is not satisfied (or waived) by 31 January 2001, the date by which the Pre-Conditions set out in paragraphs (iii), (iv) or (vii) has to be satisfied (or waived) shall be automatically extended to 19 February 2001. If any of these Pre-Conditions is not satisfied (or waived) by 19 February 2001, the Offer will not be made.

### ***Condition to the Offer***

The Offer will be conditional on valid acceptances of the Offer being received (and not, where permitted, withdrawn) not later than 4:00 p.m. on or before the date which is 28 days after the Despatch Date (the "First Closing Date") (or such later time(s) and/or date(s) as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of 75 per cent in nominal value of the Shares.

### ***Waiver of the Conditions***

The Offeror reserves the right to waive all or any of the Pre-Conditions in whole or in part except for the Pre-Conditions set out in paragraphs (i), (ii), (iii), (iv), (v), (vi) and (x) (to the extent that it relates to consents and approvals referred to in paragraphs (i), (ii), (iii) or (iv) above) which may only be waived by the Offeror with the consent of First Pacific.

In relation to the Offer Condition, the Offeror reserves the right to lower the minimum acceptance condition to 50.1 per cent of the Shares carrying 50.1 per cent of the voting rights then exercisable at a general meeting of FPB Holdings.

### ***Further Announcements***

If the Pre-Conditions are satisfied (or, if applicable, waived) on or before 31 January 2001 or 19 February 2001 (as the case may be) or such later date as the Offeror may, with the consent of the Executive, determine (the "First Long Stop Date"), First Pacific and the Offeror will issue press announcements as soon as practicable thereafter.

If the Pre-Conditions are not satisfied by the First Long Stop Date, the Offer will not be made (unless the unsatisfied Pre-Conditions are waived by the Offeror with the consent of First Pacific, where applicable) and FPB Holdings shareholders will be notified by a press announcement as soon as practicable thereafter.

### ***Offer Document***

An Offer Document setting out the details of the Offer and the acceptance and transfer forms, will be sent by the Offeror to FPB Holdings shareholders before the later of the date which is 21 days after the date of this Announcement and the date which is 7 days after the Pre-Conditions are satisfied or, if applicable, waived (or such later date as the Executive may consent to).

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror has made an application requesting for the Executive's consent to the making of the Offer subject to the prior fulfilment of the Pre-Conditions and that the Offer Document may be despatched according to the timetable referred to above.

### ***Response Document***

A document, containing the recommendation of the independent board committee of FPB Holdings and the advice of an independent financial adviser regarding the Offer, will be despatched to FPB Holdings shareholders within 14 days of the despatch of the Offer Document.

### ***Completion of the Offer***

If the Offer Condition is not satisfied (or, if applicable, waived) on or before the First Closing Date, the Offer will lapse unless extended by the Offeror. In that case, the Offeror will issue a press announcement as soon as practicable thereafter. The latest date on which the Offeror can declare the Offer unconditional is 60 days after the Despatch Date (or such later date as the Executive may consent to).

It is the intention of the Offeror to declare the Offer unconditional as soon as possible after the condition relating to minimum acceptance of the Offer Condition is satisfied.

If the Offer Condition is satisfied (or, if applicable, waived), FPB Holdings shareholders will be notified by a press announcement as soon as practicable thereafter.

## **RATIONALE FOR THE TRANSACTION**

In January 1998, First Pacific undertook to refocus its investments on a select number of larger companies in Asia. Through this process of redefining its core activities, First Pacific's strategic business interests are now principally in the consumer and telecommunications



sectors. As such, First Pacific management no longer considered FPB Holdings to be a strategic asset, and had undertaken to dispose of this asset at an appropriate valuation.

Potential sale proceeds to First Pacific, net of the payment to MFIL and stamp duty, amount to approximately HK\$1.8 billion or US\$231 million and will be used to repay certain of First Pacific's loans, as well as for general corporate purposes. First Pacific is likely to report a gain on the disposal of its 41.25 per cent attributable interests in FPB Holdings of approximately US\$20 million.

## CONNECTED TRANSACTION

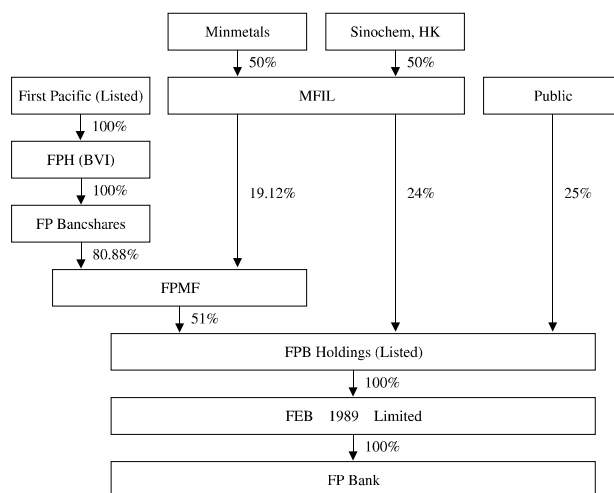
As a substantial shareholder of FPMF and FPB Holdings, MFIL is a connected party of First Pacific, which owns approximately 80.88 per cent of FPMF, which in turn owns 51 per cent of FPB Holdings. Accordingly, the Sale and Purchase Agreement constitutes a connected transaction for First Pacific under the Listing Rules.

First Pacific has already made an application to the Stock Exchange that the requirement for shareholders' approval be waived given that the substance of the transaction is a simultaneous sale by both First Pacific and MFIL of their combined interests in FPB Holdings to an independent third party purchaser and that MFIL is otherwise not a connected or related person of First Pacific. If shareholders approval is required, no one shall abstain from voting. Further announcement will be made by First Pacific regarding the requirement of convening an independent shareholders meeting.

If required, a circular containing, among other things, the recommendation of the independent board committee of First Pacific and the advice of an independent financial adviser regarding the Sale and Purchase Agreement, will be despatched by First Pacific to its shareholders no later than 21 days after the date of this Announcement and a shareholders meeting will be convened as soon as practicable thereafter.

## INFORMATION ON FPB HOLDINGS

The current shareholding structure of FPB Holdings is as follows (all percentages are approximations):



## **Business of FPB Holdings**

FPB Holdings is an investment holding company whose principal subsidiary is FP Bank. FP Bank is a Hong Kong licensed bank with total assets of HK\$22 billion as at 30 June 2000. It currently operates 24 branches in Hong Kong and provides a wide range of banking, financial and related services to corporate and individual customers. FPB Holdings is listed on the Stock Exchange and had a market capitalization of approximately HK\$3,869 million on 20 November 2000.

Audited net profits before tax of FPB Holdings amounted to HK\$65 million and HK\$107 million for the years ended 31 December 1999 and 1998, respectively. Audited net profits after tax amounted to HK\$61 million and HK\$107 million for the years ended 31 December 1999 and 1998, respectively. The audited net asset value of FPB Holdings was HK\$2.31 per Share and HK\$2.28 per Share for the years ended 31 December 1999 and 1998, respectively. Based on published unaudited accounts of FPB Holdings in respect of the six month period ending on 30 June 2000, net profits before tax amounted to HK\$114 million, net profits after tax amounted to HK\$96 million and net asset value was HK\$2.35 per Share.

## **Equity Securities of FPB Holdings**

Other than the Shares, FPB Holdings does not have any other outstanding equity securities (including equity related convertible securities, or warrants, options or subscription rights in respect of any equity share capital (including non-transferable options)).

Further information in relation to FPB Holdings and FP Bank will be included in the Offer Document.

## **INFORMATION ON THE OFFEROR**

BEA is one of the leading banks in Hong Kong, operating 108 branches in Hong Kong and with total assets of HK\$145.53 billion as at 30 June 2000. BEA's audited net profit after tax for the year ended 31 December 1999 was HK\$1.49 billion and, based on unaudited accounts, BEA's net profit after tax for the six months ended 30 June 2000 was HK\$0.94 billion.

BEA is listed on the Stock Exchange and is a constituent stock of the Hang Seng Index. It had a market capitalisation of approximately HK\$26.14 billion based on its closing price of HK\$18.50 per share on 20 November 2000.

## **DEFINITIONS**

"Banking Ordinance"	means the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
"BEA" or "Offeror"	means The Bank of East Asia, Limited, a licensed bank incorporated in Hong Kong, the issued shares of which are listed on the Stock Exchange
"Business Day"	means any day other than a Saturday, Sunday or public holiday, on which banks are open for business in Hong Kong

"Completion Date"	means the date on which MFIL is required to deliver the required documents to the Escrow Agent as set out in the Escrow Agreement, being the third Business Day immediately preceding the Despatch Date
"Despatch Date"	means the date of despatch by BEA of the Offer Document following satisfaction (or waiver) of the Pre-Conditions
"Escrow Agreement"	means the escrow agreement to be entered into between, among others, First Pacific, MFIL and the Offeror regarding, inter alia, the deposit of the share certificates for the Offeree Shares (as defined therein) and the Offer Price payable for the Offeree Shares with the escrow agent
"Executive"	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"First Pacific"	means First Pacific Company Limited, a company incorporated in Bermuda and listed on the Stock Exchange
"FP Bancshares"	means First Pacific Bancshares Holdings Limited, a company incorporated in Bermuda
"FP Bank"	means First Pacific Bank Limited, a licensed bank incorporated in Hong Kong and a wholly-owned subsidiary of FPB Holdings
"FPB Holdings"	means FPB Bank Holding Company Limited, a company incorporated in Bermuda and a subsidiary of FPMF and an indirect subsidiary of First Pacific, the issued shares of which are listed on the Stock Exchange
"FPMF"	means FPMF Limited, a company incorporated in Bermuda and a 51 per cent shareholder of FPB Holdings
"FPH(BVI)"	means FPH (BVI) Limited, a company incorporated in British Virgin Islands
"Group Company"	means any of FPB Holdings or its subsidiaries
"Irrevocable Undertaking"	means the irrevocable undertaking to accept the Offer in respect of the 75 per cent of the issued share capital of FPB Holdings to be held by FPMF following completion of the Sale and Purchase Agreement
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange
"MFIL"	means Mimet Fotic Investment Limited, a company incorporated in Hong Kong

"Minmetals"	means China National Metals and Minerals Import and Export Corporation, a company incorporated in the People's Republic of China and a 50 per cent shareholder of MFIL
"Monetary Authority"	means the Hong Kong Monetary Authority
"Offer Condition"	means the condition to the Offer, as set out in this Announcement (see "Condition to the Offer" above)
"Offer Document"	means the offer document and the accompanying form of acceptance and transfer to be despatched by the Offeror
"Offer Price"	means HK\$3.50 per Share
"Offer"	means the voluntary conditional cash offer for the entire issued share capital of FPB Holdings
"Pre-Conditions"	means the pre-conditions to the making of the Offer, as set out in this Announcement (see "Pre-conditions to the Offer" above)
"Sale and Purchase Agreement"	means the sale and purchase agreement for the purchase by First Pacific of the 33.75 per cent direct and indirect stake in FPB Holdings held by MFIL in order to facilitate the simultaneous sale under the Offer of the combined 75 per cent interests of First Pacific and MFIL in FPB Holdings
"SFC"	means the Securities and Futures Commission
"Share(s)"	means share(s) of HK\$1.00 each in the issued share capital of FPB Holdings
"Sinochem"	means Sinochem Hong Kong (Holdings) Company Limited, a company incorporated in Hong Kong and a 50 per cent shareholder of MFIL
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Takeovers Code"	means The Hong Kong Code on Takeovers and Mergers

Translation of amounts into US\$ have been made on an approximate basis at 1 US\$ = HK\$ 7.80.

**WARNING: As the making of the Offer is subject to satisfaction or waiver of the Pre-Conditions, and therefore the Offer may or may not be made, First Pacific shareholders and investors generally should exercise caution when buying or selling shares of First Pacific.**

By Order of the Board  
**FIRST PACIFIC COMPANY LIMITED**

**Ronald A. Brown**

*Executive Director and Corporate Secretary*

Hong Kong, 20 November 2000

*The directors of First Pacific jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and the Offer which has been supplied by BEA) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Offeror and the Offer which have been supplied by BEA) not contained in this announcement the omission of which would make any statement in this announcement misleading.*

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