

Wednesday, 16 January 2002

REVISED PLAN TO EXPEDITE BOND REPAYMENT

First Pacific announces that, given the likely delays involved in effecting a formal tender offer for the outstanding convertible bonds, it will instead purchase outstanding convertible bonds in the market.

Accordingly, First Pacific has appointed ING Barings as its agent to purchase convertible bonds in the market from bondholders wishing to sell at this time. Such purchases are to be made at prices as may be agreed between ING Barings and the selling bondholders, and such market purchases will cease on or before Wednesday, 23 January 2002.

Thereafter, First Pacific will arrange for sufficient funds to be deposited with the convertible bonds trustee to redeem, on the original maturity date of 27 March 2002, those convertible bonds that remain outstanding.

There are currently outstanding convertible bonds in the principal amount of US\$198 million, which will be repaid at a total cost, including interest and redemption premium, of approximately US\$268 million.

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 up until March 2002 at a strike price of HK\$12.25 per share, and are redeemable at a price of 134 per cent of face value. First Pacific has to date canceled approximately 43 per cent of the amount originally issued, and has accrued the premium to maturity since 1997.

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