

20 November 2000

FIRST PACIFIC AGREES TO SELL FIRST PACIFIC BANK TO BANK OF EAST ASIA

First Pacific announced today that it has reached agreement, with Bank of East Asia, subject to certain conditions. Under the terms of the transaction, First Pacific has agreed to accept Bank of East Asia's offer to acquire First Pacific's 75.0 per cent (approximately 936 million shares) interest in FPB Bank Holding Company Limited ("FPB Holdings") which holds First Pacific Bank, as part of Bank of East Asia's voluntary offer (to be made subject to fulfilment of certain conditions) to acquire 100 per cent of FPB Holdings.

First Pacific has a 41.25 per cent attributable interest in FPB Holdings. First Pacific will purchase Mimet Fotic Investment Limited's ("MFIL") entire 33.75 per cent attributable interest in FPB Holdings, hence increasing its interest in FPB Holdings to 75 per cent

Bank of East Asia will pay an offer price of HK\$3.50 (US\$0.45) per share. This values First Pacific's 41.25 per cent interest at HK\$1.8 billion (US\$231.0 million), and MFIL's 33.75 per cent interest at HK\$1.5 billion (US\$189.0 million).

The offer price of HK\$3.50 (US\$0.45) per FPB Holdings share represents a multiple of 1.49 times the unaudited book value of First Pacific Bank as of 30 June, 2000, a premium of approximately 23.2 per cent over the average closing price of HK\$2.84, for the previous 20 days prior to the date of transaction, and a premium of 12.9 per cent to today's closing price of HK\$3.10.

Michael J.A. Healy, Chief Operating Officer and Finance Director of First Pacific, commented: "First Pacific Bank has been a good business for the Group over the last 14 years.

"The decision to sell was taken, more than two years ago, as part of First Pacific's strategy to focus principally on consumer and telecommunication businesses in Asia. Emerging from this realignment program, First Pacific is now stronger, leaner, and the leader in its chosen markets. As such, we are well placed to benefit from Asia's eventual recovery and, as we will utilise proceeds received to pay down head office debt, we are suitably positioned to pursue the further development and enhancement of our businesses.

"Whilst First Pacific's most visible brand in Hong Kong will disappear over time, we continue to remain very active in the SAR through our Head Office and FPDSavills which, together, employ more than six thousand staff in Hong Kong alone. First Pacific will maintain its Asian focus from Hong Kong, as it is the best place for us to do business on an international scale. It offers the region's richest pool of talent, the best business services in terms of banking, legal and corporate advisory services, and international investors value the transparency and accessibility of the Hong Kong market. Hong Kong

is our home and we remain committed – both on a commercial and a community level - as much as ever before.”

ING Barings advised First Pacific on the transaction.

Reference information:

First Pacific is an investment and management company, with interests principally in consumer and telecommunications. Principal shareholders include the Liem Investors (who hold 43.5 per cent of the company, of which the Salim Family is the single largest shareholder with 24.8 per cent) and the Capital Group of Companies (16.2 per cent).

FPB Bank Holding Company Limited is an investment holding company, whose principal subsidiary is First Pacific Bank. Principal shareholders include First Pacific (41.25 per cent), and Mimet Fotic Investment Limited (33.75 per cent).

Mimet Fotic Investment Limited is an investment holding company. Principal shareholders are China National Metals & Minerals Import & Export Corporation (50.0 per cent) and Sinochem Hong Kong (Holdings) Company Limited (50.0 per cent).

Note: Translations are approximate and are made at the rates of US\$1.00 = HK\$7.80

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