

10th March 2000

AGREEMENT REACHED WITH CHINA UNICOM ON SHENZHEN AND FUJIAN GSM MOBILE NETWORKS

First Pacific announces today that it has reached agreement with China United Telecommunications Corporation (China Unicom) to terminate First Pacific's co-operation agreements in respect of China Unicom's Shenzhen and Fujian GSM mobile networks.

The terminations will generate total cash proceeds of US\$86.7 million (HK\$674.9 million), which will cover First Pacific's cost of investment of US\$75.0 million, plus a 4.1 per cent return, in respect of the projects over a five year period. Proceeds will be utilised to reduce head office debt and to fund internal working capital requirements.

As part of the termination agreements, First Pacific will also receive China Unicom warrants entitling First Pacific to subscribe for US\$54.3 million (HK\$422.7 million) worth of shares, at the offering price, at the time of China Unicom's proposed initial public offering. These warrants must be held for six months and must be exercised within twelve months after their issue.

Michael Healy, First Pacific's Chief Operating Officer and Finance Director, commented: "By concluding our negotiations with China Unicom, we have recovered our cost of investment, and the warrants offer potential upside returns to us."

Shenzhen

Shenzhen Merchant Link Communications Company Limited, in which First Pacific has a 60 per cent interest, will receive RMB863.2 million (approximately US\$104.3 million, HK\$811.7 million) from China Unicom to terminate the Shenzhen GSM co-operation contract. The termination payment will be made before the end of March, at which time the co-operation contract will be terminated.

First Pacific will receive cash proceeds amounting to US\$65.0 million (HK\$506.0 million).

Fujian

Fujian Telecom Limited, in which First Pacific has a 34 per cent interest, will receive RMB529.0 million (approximately US\$63.9 million, HK\$497.4 million) from China

Unicom to terminate the Fujian GSM co-operation contract. The termination payment will be made before the end of March, at which time the co-operation contract will be terminated.

First Pacific will receive cash proceeds amounting to US\$21.7 million (HK\$168.9 million).