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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

First Pacific is currently engaged in reviewing strategic alternatives as regards its existing investment in Escotel.

The Board of Directors of First Pacific Company Limited ("First Pacific") announces that First Pacific is currently engaged in reviewing strategic alternatives as regards its existing investment in Escotel Mobile Communications Limited ("Escotel").

As part of this review, First Pacific is cooperating with its 51 per cent partner, Escorts Limited ("Escorts") of India, itself a public listed company with listings on the Bombay Stock Exchange, National Stock Exchange, and Delhi Stock Exchange, to explore various options regarding all or a part of First Pacific's 49 per cent interest in Escotel. Escotel is the leading operator of cellular services in three states (Uttar Pradesh West, Haryana and Kerala) in India and provides a wide range of telecommunication services to its approximately 350,000 subscribers.

The current review by First Pacific and Escorts has become necessary because Escorts recently was successful in its bidding for additional cellular licenses in four northern states in India (Uttar Pradesh East, Punjab, Himachal Pradesh and Rajasthan) through a separate wholly-owned subsidiary established by Escorts for that purpose. In light of Escorts' successes, both First Pacific and Escorts have determined to cooperate, going forward, in the most effective manner to permit both parties to maximize the values of their respective investments in their Indian cellular

businesses.

However, First Pacific wishes to emphasize that the current review of its strategic alternatives with Escorts remains at a preliminary stage and no terms or any form of agreement concerning First Pacific's investment in Escotel has been reached with any party. Meanwhile, First Pacific has appointed ING Barings to advise it in connection with this review.

First Pacific will make further announcements in relation to its investment in Escotel, as and when appropriate, in accordance with the Hong Kong Stock Exchange Listing Rules.

By Order of the Board
First Pacific Company Limited
Ronald A. Brown
Executive Director and
Company Secretary

Hong Kong, 20 August, 2001

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