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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Disposal of Investment Interest

First Pacific refers to its announcement dated 27th December, 2000 relating to the transfer to First Pacific by FP Bank of FP Bank's interest in China Investment. The primary asset of China Investment is the China Club, Hong Kong. First Pacific now announces that China Investment has agreed in principle, subject to approval by China Investment's board of directors and its shareholders, to repurchase from First Pacific the entire interest in China Investment which First Pacific acquired from FP Bank.

Reference is made to the announcement of First Pacific Company Limited ("First Pacific") dated 27th December, 2000, in which First Pacific announced that it had entered into an assignment on 20th December, 2000 in relation to the acquisition by First Pacific from First Pacific Bank Limited ("FP Bank") of FP Bank's entire interest in China Investment Incorporations (BVI) Limited ("China Investment"), which is the holding company established in 1991 of the China Club, in Hong Kong. Pursuant to that assignment, FP Bank assigned to First Pacific (a "Core Founder Member" of China Investment), at FP Bank's original 1991 cost of investment of approximately US\$277,777.67 (approximately HK\$2.1 million), FP Bank's beneficial interest in 27,777 shares of US\$1.00 each of China Investment (the "Sale Shares"), representing approximately 3.6 per cent of the issued share capital of China Investment.

The acquisition of the Sale Shares by First Pacific from FP Bank was a "connected transaction" for both companies and was made pursuant to the Irrevocable Undertaking entered into between First Pacific, FPMF Limited and The Bank of East Asia, Limited ("BEA") on 20th November, 2000, under which BEA made a voluntary cash offer (the "Offer") to acquire the entire issued share capital of FPB Bank Holding Company Limited. In accordance with the terms of the Irrevocable Undertaking, First Pacific was required, among other things, to procure FP Bank to dispose of its beneficial interest in the Sale Shares prior to the date of despatch of the offer document in respect of the Offer. Because of restrictions on the transfer of "Core Founder Member" shares (including pre-emption rights and an approval process) contained in shareholder documentation relating to China Investment, First Pacific agreed to acquire and hold the Sale Shares until the Sale Shares could be transferred to any other party interested in purchasing them, in order to facilitate the timely completion of the Irrevocable Undertaking and the making of the Offer. **At the time of the acquisition, it was the intention of First Pacific to dispose of the Sale Shares as quickly as possible and sometime prior to completion of the Irrevocable Undertaking an approach had been made by First Pacific to China Investment with the request that FP Bank's interest in the Sale Shares be repurchased from FP Bank directly. Nevertheless, it did not prove practicable to agree and complete a repurchase of the Sale Shares within the available time nor could any other purchaser be readily identified prior to completion of the Irrevocable Undertaking.**

First Pacific now announces that China Investment has agreed in principle, subject to approval by China Investment's board of directors and its shareholders, to repurchase the Sale Shares for an aggregate consideration of no more than US\$277,777.67 (approximately HK\$2.1 million), which is equal to First Pacific's acquisition cost from FP Bank. The consideration will be paid by China Investment not earlier than the first anniversary of the date of completion of the registration of the repurchase of the Sale Shares in China Investment's share register. China Investment will be entitled to extend the date for payment. Subject to the approval of China Investment's board of directors and its shareholders having been obtained, completion of the registration of the repurchase of the Sale Shares in China Investment's share register is expected to occur not later than 28th February, 2001. A further announcement will be made at the appropriate time confirming completion of the repurchase.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Ronald A. Brown
Executive Director and
Company Secretary

Hong Kong, 30th January, 2001

The directors of First Pacific jointly and severally accept full responsibility for the accuracy of the information contained in this announcement 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 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.