

15th October 1998

FIRST PACIFIC TO SELL CALIFORNIA FITNESS CENTERS VENTURE

First Pacific Company Limited announced today that its FPD SPORTathlon subsidiary has agreed to sell its 50 per cent stake in the Ray Wilson California Fitness Centers business in Hong Kong and Singapore to its joint venture partners, Ray Wilson California Fitness Limited.

The sale of the business, which will result in an exceptional gain of approximately US\$5.0 million, is in line with First Pacific's strategy of consolidating FPD SPORTathlon's focus on spa management, professional coaching and fitness equipment. The terms of the sale were not disclosed.

Ray Wilson California Fitness entered the region in 1996 and operates three fitness centers in the territory and one in Singapore, with total enrollment of more than 22,000 customers. It is seeking to expand the business elsewhere in the region where significant potential exists for large-scale fitness centers.

Eric Levine, Managing Director of Ray Wilson California Fitness Centers, said: "We would like to thank our former partners for the assistance they have provided us in bringing this business to Asia. We look forward to continuing to serve our existing customers and expanding our business in Asia much further."

Hans Franklin, Managing Director of FPD SPORTathlon said, "The enormous growth of the Ray Wilson California Fitness Centers has shown how much potential still remains for this business and we wish our former partners every success with their expansion plans. We are pleased to have played a part in their achievements thus far and look forward to focusing our efforts on our core businesses, particularly developing more boutique spas under the brand name, 'The Spa'."