



FIRST EASTERN

ANA and First Eastern Form First Japanese Low Cost Carrier

TOKYO and HONG KONG September 9, 2010 – All Nippon Airways (“ANA”), a leading Japanese airline, and First Eastern Investment Group (“First Eastern”), a pioneer of direct investments in China, today announced the signing of a Memorandum of Agreement to establish the first Japanese low cost airline. The new airline will operate both international and domestic short-haul routes out of Kansai International Airport, Osaka. The new airline will operate independently from ANA.

The new company will be established in the second half of 2010 with Japanese investors holding a 66.7% stake of which ANA will hold a 39% stake and First Eastern will hold the remaining 33.3% stake, the maximum foreign ownership currently allowed for an airline in Japan. The new company’s air transport operations are expected to commence in the second half of 2011.

Shinichiro Ito, President and CEO of ANA, said, “Under our corporate vision of becoming the number one airline group in Asia, ANA has been steadily working to substantially improve its network between Japan and Asia. Regardless of the intense competition in the air transportation industry, we anticipate an increase in passenger traffic demand in East Asia, and came to the conclusion that a low cost carrier would be the right approach to compete effectively in this market. We are pleased to partner with First Eastern and to work together to establish the first low cost carrier in Japan.”

Victor Chu, Chairman and CEO of First Eastern said, "I am delighted to invest alongside ANA to establish the first low cost carrier in Japan, especially as my family has had strong ties with Japan for over 50 years. First Eastern has been pioneering private equity investments from Hong Kong for over twenty years and we are confident that our unique regional expertise and networks will contribute significantly to the success of our new joint venture with ANA."

Reference 1: About the new company

- Outline of new company
 - Business: Air transportation (domestic and international)
 - Investment ratios: Japanese investors 66.7% (of which ANA less than 40%); First Eastern 33.3% (less than 1/3 of the total stake)
*Start-up organization will consider specific scheme for establishing the new company.
 - Main Base Airport: Kansai International Airport
 - Others: Start-up organization will consider details such as the appointment of a representative, capital, trade names, corporate bylaws, etc.
- Near-term timeline
 - September 9, 2010 Signing of a Memorandum of Agreement with First Eastern
 - End of 2010 Establishment of new company
 - Second half of 2011 Start of new company's air transport operations

Reference 2: About the new business

The LCC business that ANA and First Eastern aim to create will feature:

- Autonomous management
 - Brand: The airline will not fly under the ANA brand, or under the "NH" code.
 - Management: The airline will be managed separately from ANA.

- Low-cost business structure
 - Operation Point-to-point operations using single type of aircraft; maximum seating per aircraft
 - Services: Simple services; automated process; additional paid services
 - Others: Maximum utilization of LCC infrastructure; high employee productivity

- Low fares
 - Domestic routes: To stimulate new demand through pricing that is competitive to other low-fare transportation providers such as bus and train operators
 - International routes: To stimulate demand through pricing that creates substantial differentiation with existing airlines

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About ANA

Established in 1952, ANA is a leading Japanese provider of air transportation services, carrying almost 50 million passengers every year to 50 destinations in Japan and 27 cities throughout Asia, Europe and the US on its fleet of 216 aircraft. It is the tenth largest airline in the world by passenger load, according to IATA rankings and the largest domestic carrier in Japan. ANA has won awards in all categories for its products and services and was voted Airline of the Year for 2007 by Air Transport World Magazines. ANA joined the Star Alliance in 1999 and celebrated its 10th year Star Alliance membership in October, 2009.

About First Eastern Investment Group

First Eastern is a leading Hong Kong-based investment group pioneering in the field of direct investments in China. Founded by Victor Chu in 1988, First Eastern has offices in Hong Kong, Beijing, Shanghai, Dubai, and London. First Eastern and its associates have invested into over 100 projects in China covering infrastructure projects, light industries,

real-estate development and financial services, generating over US\$7 billion of total investments for these projects. First Eastern is an investment institution regulated by the Hong Kong Securities & Futures Commission.

Victor Chu is the Chairman and CEO of First Eastern Investment Group. He is also Chairman of First Eastern Investment Bank Limited and FE Securities Limited. Over the last 20 years, Victor Chu has served at various times as Director and Council Member of the Hong Kong Stock Exchange, Member of the Hong Kong Takeovers and Mergers Panel, Advisory Committee Member of the Securities and Futures Commission, and part-time member of Hong Kong Government's Central Policy Unit. Mr. Chu is currently a Foundation Board Member of the World Economic Forum in Geneva and co-chairs the Forum's International Business Council. He is also a Member of the Mayor of London's International Business Advisory Council and Chairman of the Paris-based ICC Commission on Financial Services and Insurance on a worldwide basis.