



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

2000 Results - Audited

Financial Highlights

- Contribution from operations before exchange differences increased by 23.6 per cent to US\$88.5 million (HK\$690.3 million) from US\$71.6 million (HK\$558.5 million).
- Recurring profit before exchange differences increased by 23.2 per cent to US\$51.0 million (HK\$397.8 million) from US\$41.4 million (HK\$322.9 million).
- Net gain on disposal and dilution of shareholdings less provision for investments increased by 55.2 per cent to US\$143.7 million (HK\$1,120.9 million) from US\$92.6 million (HK\$722.3 million).
- Foreign exchange losses, which were largely unrealized, of US\$143.5 million (HK\$1,119.3 million) were recorded in 2000, as compared to foreign exchange gains of US\$4.2 million (HK\$32.8 million) recorded in 1999.
- Profit attributable to ordinary shareholders decreased by 63.0 per cent to US\$51.2 million (HK\$399.3 million) from US\$138.2 million (HK\$1,078.0 million).
- Basic earnings per share decreased by 67.2 per cent to US1.75 cents (HK13.65 cents) from US5.34 cents (HK41.65 cents).
- A final dividend of US0.13 cent (HK1.00 cent) per ordinary share has been recommended, making a total dividend to shareholders of US0.26 cent (HK2.00 cents) for the full year.

2000 Annual Results

CONSOLIDATED PROFIT AND LOSS STATEMENT

| For the year ended 31st December (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|--|----------------|--------------|------------------|---------------|
| Turnover | 808.9 | 1,231.5 | 6,309.4 | 9,605.7 |
| Cost of sales | (507.3) | (690.6) | (3,956.9) | (5,386.7) |
| Gross profit | 301.6 | 540.9 | 2,352.5 | 4,219.0 |
| Gain on disposal and dilution of shareholdings less provision for investments | 145.5 | 98.5 | 1,134.9 | 768.3 |
| Other operating income | 8.6 | 27.0 | 67.1 | 210.6 |
| Distribution costs | (27.9) | (32.4) | (217.6) | (252.7) |
| Administrative expenses | (160.1) | (214.6) | (1,248.8) | (1,673.9) |
| Other operating expenses | (58.7) | (167.4) | (457.9) | (1,305.7) |
| Operating profit - Note 1 | 209.0 | 252.0 | 1,630.2 | 1,965.6 |
| Share of profits less losses of associated companies | (84.4) | 67.5 | (658.4) | 526.5 |
| Net borrowing costs - Note 2 | (58.0) | (83.0) | (452.4) | (647.4) |
| Profit before taxation | 66.6 | 236.5 | 519.4 | 1,844.7 |
| Taxation - Note 3 | (9.9) | (48.9) | (77.2) | (381.4) |
| Profit after taxation | 56.7 | 187.6 | 442.2 | 1,463.3 |
| Outside interests | (5.5) | (49.4) | (42.9) | (385.3) |
| Profit attributable to ordinary shareholders - Note 4 | 51.2 | 138.2 | 399.3 | 1,078.0 |
| Ordinary share dividends paid and proposed | (7.7) | (15.0) | (60.0) | (117.0) |
| Retained profit for the year | 43.5 | 123.2 | 339.3 | 961.0 |
| Per share | 2000 | 1999 | 2000* | 1999* |
| (In cents) | US¢ | US¢ | HK¢ | HK¢ |
| Dividends | 0.26 | 0.52 | 2.00 | 4.00 |
| Basic earnings - Note 5 | 1.75 | 5.34 | 13.65 | 41.65 |

CONSOLIDATED STATEMENT OF RECOGNIZED GAINS AND LOSSES

| For the year ended 31st December (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|---|----------------|--------------|------------------|---------------|
| Exchange differences on the translation of the financial statements of foreign entities | (180.3) | (0.9) | (1,406.3) | (7.0) |
| Realization of property revaluation | 24.7 | - | 192.7 | - |
| Net losses not recognized in the profit and loss statement | (155.6) | (0.9) | (1,213.6) | (7.0) |
| Profit attributable to ordinary shareholders | 51.2 | 138.2 | 399.3 | 1,078.0 |
| Total recognized (losses)/gains for the year | (104.4) | 137.3 | (814.3) | 1,071.0 |
| Goodwill arising on acquisitions during the year | (312.7) | (851.0) | (2,439.1) | (6,637.9) |
| | (417.1) | (713.7) | (3,253.4) | (5,566.9) |

CONSOLIDATED BALANCE SHEET

| As at 31st December (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|--|----------------|----------------|-----------------|-----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property and equipment | 1,464.1 | 2,605.9 | 11,420.0 | 20,326.0 |
| Associated companies | 109.1 | 133.6 | 851.0 | 1,042.1 |
| Long-term investments | 5.2 | 17.6 | 40.6 | 137.3 |
| Long-term receivables | 115.3 | 147.7 | 899.3 | 1,152.0 |
| | 1,693.7 | 2,904.8 | 13,210.9 | 22,657.4 |
| Assets, other than property and equipment, attributable to Banking operations | | | | |
| | - | 2,873.2 | - | 22,411.0 |
| Current assets | | | | |
| Cash and bank balances | 229.5 | 280.4 | 1,790.1 | 2,187.1 |
| Short-term investments | - | 75.0 | - | 585.0 |
| Accounts receivable and prepayments | 344.4 | 576.9 | 2,686.3 | 4,499.8 |
| Inventories | 54.8 | 86.7 | 427.4 | 676.3 |
| | 628.7 | 1,019.0 | 4,903.8 | 7,948.2 |
| Total assets | 2,322.4 | 6,797.0 | 18,114.7 | 53,016.6 |
| Equity and liabilities | | | | |
| Equity capital and reserves | | | | |
| Share capital | 31.4 | 29.1 | 244.9 | 227.0 |
| Share premium | 908.7 | 849.8 | 7,087.9 | 6,628.4 |
| Revenue and other reserves | 1,339.3 | 1,456.7 | 10,446.5 | 11,362.3 |
| Shareholders' equity before goodwill reserve | 2,279.4 | 2,335.6 | 17,779.3 | 18,217.7 |
| Goodwill reserve | (1,913.9) | (1,744.1) | (14,928.4) | (13,604.0) |
| Shareholders' equity | 365.5 | 591.5 | 2,850.9 | 4,613.7 |
| Outside interests | 758.8 | 1,350.5 | 5,918.6 | 10,533.9 |
| Non-current liabilities | | | | |
| Loan capital and long-term borrowings | 434.2 | 832.1 | 3,386.7 | 6,490.4 |
| Deferred liabilities and provisions | 215.6 | 360.8 | 1,681.7 | 2,814.2 |
| Deferred taxation | 7.7 | 12.6 | 60.1 | 98.3 |
| | 657.5 | 1,205.5 | 5,128.5 | 9,402.9 |
| Liabilities attributable to Banking operations | | | | |
| | - | 2,624.7 | - | 20,472.7 |
| Current liabilities | | | | |
| Accounts payable and accruals | 215.0 | 373.9 | 1,677.0 | 2,916.4 |
| Short-term borrowings | 317.2 | 631.7 | 2,474.2 | 4,927.3 |
| Provision for taxation | 4.4 | 11.7 | 34.3 | 91.2 |
| Dividends | 4.0 | 7.5 | 31.2 | 58.5 |
| | 540.6 | 1,024.8 | 4,216.7 | 7,993.4 |

| | | | | |
|---|----------------|---------|-----------------|----------|
| Total liabilities | 1,198.1 | 4,855.0 | 9,345.2 | 37,869.0 |
| Total equity and liabilities | 2,322.4 | 6,797.0 | 18,114.7 | 53,016.6 |
| Shares in issue on 31 December (millions) | 3,139.8 | 2,910.8 | 3,139.8 | 2,910.8 |

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

| For the year ended 31st December | 2000 | 1999 | 2000* | 1999* |
|--|----------------|---------|------------------|-----------|
| (In millions) | US\$ | US\$ | HK\$ | HK\$ |
| Operating profit | 209.0 | 252.0 | 1,630.2 | 1,965.6 |
| Gain on disposal and dilution of shareholdings | | | | |
| less provision for investments | (145.5) | (98.5) | (1,134.9) | (768.3) |
| Exchange losses | 18.8 | 3.7 | 146.6 | 28.8 |
| Dividend income | (0.1) | (0.4) | (0.8) | (3.1) |
| Depreciation | 49.1 | 117.7 | 383.0 | 918.1 |
| (Gain)/loss on sale of property and equipment | (0.4) | 1.0 | (3.1) | 7.8 |
| Increase in working capital ⁺ | (57.3) | (6.1) | (446.9) | (47.5) |
| Others | (51.6) | (68.1) | (402.5) | (531.2) |
| Less operating profit attributable to | | | | |
| Banking operations | (34.1) | (8.6) | (266.0) | (67.1) |
| Net cash (outflow)/inflow from operating activities | (12.1) | 192.7 | (94.4) | 1,503.1 |
| Net interest paid | (48.9) | (88.1) | (381.4) | (687.2) |
| Net dividends paid | (9.2) | (6.7) | (71.8) | (52.3) |
| Net cash outflow from returns on investments and servicing of finance | (58.1) | (94.8) | (453.2) | (739.5) |
| Tax paid | (29.9) | (10.1) | (233.2) | (78.8) |
| Net cash (outflow)/inflow before investing activities | (100.1) | 87.8 | (780.8) | 684.8 |
| Additions of property and equipment | (127.1) | (219.3) | (991.4) | (1,710.6) |
| Purchase of new businesses and investments | (30.2) | (501.5) | (235.5) | (3,911.7) |
| Sale of businesses, property and equipment and others | 343.9 | 408.6 | 2,682.4 | 3,187.1 |
| Loans repaid by/(to) associated companies | 87.9 | (4.8) | 685.6 | (37.4) |
| Net cash inflow/(outflow) from investing activities | 274.5 | (317.0) | 2,141.1 | (2,472.6) |
| Net cash inflow/(outflow) before financing activities | 174.4 | (229.2) | 1,360.3 | (1,787.8) |
| Net borrowings repaid | (199.4) | (77.4) | (1,555.3) | (603.7) |
| Shares issued through placement | - | 199.9 | - | 1,559.2 |
| Shares issued through the exercise of share options | - | 2.5 | - | 19.5 |
| Shares issued to outside interests by subsidiary companies | 0.2 | 150.4 | 1.6 | 1,173.1 |
| Net cash (outflow)/inflow from financing activities | (199.2) | 275.4 | (1,553.7) | 2,148.1 |
| (Decrease)/increase in cash and cash equivalents | (24.8) | 46.2 | (193.4) | 360.3 |
| Cash and cash equivalents at 1 January | 267.5 | 224.4 | 2,086.5 | 1,750.3 |
| Exchange translation | (22.1) | (3.1) | (172.4) | (24.1) |
| Cash and cash equivalents at 31 December | 220.6 | 267.5 | 1,720.7 | 2,086.5 |

| | | | | |
|---|--------------|--------|----------------|---------|
| Representing | | | | |
| Cash and bank balances | 229.5 | 280.4 | 1,790.1 | 2,187.1 |
| Overdrafts | (1.0) | (2.8) | (7.8) | (21.8) |
| Other short-term borrowings with an original maturity of less than 90 days | (7.9) | (10.1) | (61.6) | (78.8) |
| Cash and cash equivalents at 31 | | | | |
| December | 220.6 | 267.5 | 1,720.7 | 2,086.5 |

⁺ *Changes in working capital are stated after excluding movements due to acquisitions and disposals of subsidiary companies.*

Analysis of changes in financing

| (In millions) | Share capital and share premium | Outside interests | Bank and other borrowings | 2000 Total financing | 1999 Total financing | 2000* Total financing | 1999* Total financing |
|---|---------------------------------|-------------------|---------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ | HK\$ | HK\$ |
| At 1st January | 878.9 | 1,350.5 | 1,450.9 | 3,680.3 | 3,388.6 | 28,706.3 | 26,431.1 |
| Attributable to Banking operations | - | (219.8) | - | (219.8) | (215.9) | (1,714.4) | (1,684.0) |
| Sources of financing activities | 878.9 | 1,130.7 | 1,450.9 | 3,460.5 | 3,172.7 | 26,991.9 | 24,747.1 |
| Exchange translation | - | (162.6) | (93.4) | (256.0) | (56.9) | (1,996.8) | (443.8) |
| Net cash inflow/(outflow) | - | 0.2 | (199.4) | (199.2) | 275.4 | (1,553.7) | 2,148.1 |
| Increased shareholding in an associated company | 61.1 | - | - | 61.1 | 243.8 | 476.6 | 1,901.6 |
| Balances in acquired subsidiary companies | - | - | - | - | (0.2) | - | (1.6) |
| Balances in disposed subsidiary companies | - | (173.7) | (422.6) | (596.3) | (38.1) | (4,651.2) | (297.2) |
| Attributable profit less dividends | - | (25.9) | - | (25.9) | 49.4 | (202.0) | 385.3 |
| Goodwill arising during the year | - | - | - | - | (0.9) | - | (7.0) |
| Other movements | 0.1 | (9.9) | 7.0 | (2.8) | (184.7) | (21.9) | (1,440.6) |
| At 31 December | 940.1 | 758.8 | 742.5 | 2,441.4 | 3,460.5 | 19,042.9 | 26,991.9 |

* The Company maintains its accounts and reports to its shareholders in United States dollars. The figures shown in Hong Kong dollars are for illustration only and are based on a fixed exchange rate of 7.8 Hong Kong dollars to one United States dollar, except in the case of dividends per share, which are based upon the exchange rate at 31 December 2000 of 7.7996 Hong Kong dollars to one United States dollar.

Notes:-

| 1. Operating profit (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|---|--------------|--------------|---------------|---------------|
| Operating profit is stated after crediting | | | | |
| Net rental income from investment properties | 1.8 | 1.9 | 14.0 | 14.8 |
| Operating lease income less outgoings | 1.3 | 1.1 | 10.1 | 8.6 |
| Gain on sale of property and equipment | 0.4 | - | 3.1 | - |
| Dividends from unlisted investments | 0.1 | 0.4 | 0.8 | 3.1 |
| and charging | | | | |
| Employee remuneration | 124.8 | 190.3 | 973.4 | 1,484.3 |
| Depreciation | 49.1 | 117.7 | 383.0 | 918.1 |
| Doubtful debt provisions | 19.8 | 52.8 | 154.4 | 411.8 |
| Net exchange loss on monetary items | 18.8 | 3.7 | 146.6 | 28.8 |
| Operating lease rentals | | | | |
| - Land and buildings | 7.1 | 17.7 | 55.4 | 138.1 |
| - Hire of plant and equipment | 1.0 | 5.3 | 7.8 | 41.3 |
| - Other | 0.1 | 0.7 | 0.8 | 5.5 |
| Auditors' remuneration | 1.3 | 2.0 | 10.1 | 15.6 |
| Loss on sale of property and equipment | - | 1.0 | - | 7.8 |

2. Net borrowing costs

Net borrowing costs exclude interest expense and interest income for the Group's Banking operations (included in Turnover).

| (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|--|--------------|--------------|----------------|----------------|
| Loan capital | 37.5 | 12.8 | 292.5 | 99.8 |
| Bank loans, overdrafts and other loans | 53.2 | 94.7 | 415.0 | 738.7 |
| Total interest expense | 90.7 | 107.5 | 707.5 | 838.5 |
| Other borrowing costs | 40.8 | 25.2 | 318.2 | 196.6 |
| Total borrowing costs | 131.5 | 132.7 | 1,025.7 | 1,035.1 |
| Less borrowing costs capitalized | (53.3) | (25.0) | (415.7) | (195.0) |
| Less interest income | (20.2) | (24.7) | (157.6) | (192.7) |
| Net borrowing costs | 58.0 | 83.0 | 452.4 | 647.4 |

3. Taxation

Hong Kong profits tax has been provided at the rate of 16.0 per cent (1999: 16.0 per cent) on the estimated assessable profits for the year. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company, its subsidiary and associated companies operate.

| (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|-----------------------------|---------------|--------------|---------------|---------------|
| Subsidiary companies | | | | |
| Current taxation | | | | |
| - Hong Kong profits tax | 3.8 | 1.0 | 29.6 | 7.8 |
| - Overseas taxation | 12.2 | 11.8 | 95.2 | 92.0 |
| Deferred taxation | | | | |
| - Hong Kong profits tax | - | 0.1 | - | 0.8 |
| - Overseas taxation | 5.8 | 2.2 | 45.2 | 17.2 |
| Subtotal | 21.8 | 15.1 | 170.0 | 117.8 |
| Associated companies | | | | |
| Current taxation | | | | |
| - Hong Kong profits tax | 0.9 | 0.3 | 7.0 | 2.3 |
| - Overseas taxation | 14.6 | 15.2 | 113.9 | 118.6 |
| Deferred taxation | | | | |
| -Overseas taxation | (27.4) | 18.3 | (213.7) | 142.7 |
| Subtotal | (11.9) | 33.8 | (92.8) | 263.6 |
| Total | 9.9 | 48.9 | 77.2 | 381.4 |

Included above is taxation for Banking operations of US\$3.5 million (1999: US\$0.5 million).

4. Profit attributable to ordinary shareholders

Profit attributable to ordinary shareholders includes substantial exchange (losses)/gains as set out below.

| (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|---|---------------|--------------|----------------|---------------|
| Subsidiary companies | (36.6) | (5.7) | (285.5) | (44.4) |
| Less capitalized within net borrowing costs | 17.8 | 2.0 | 138.9 | 15.6 |
| Included in other operating expenses | (18.8) | (3.7) | (146.6) | (28.8) |

| | | | | |
|--|----------------|-------|------------------|--------|
| Associated companies | (185.7) | 1.4 | (1,448.5) | 10.9 |
| Subtotal | (204.5) | (2.3) | (1,595.1) | (17.9) |
| Exchange differences attributable to taxation and outside interests | 61.0 | 6.5 | 475.8 | 50.7 |
| Total | (143.5) | 4.2 | (1,119.3) | 32.8 |

An analysis of exchange (losses)/gains by principal operating company is set out below. Exchange losses arose primarily on the translation of unhedged US dollar - denominated borrowings of PLDT and Indofood as a result of the significant depreciation of the peso and the rupiah during 2000.

| (In millions) | 2000 US\$ | 1999 US\$ | 2000* HK\$ | 1999* HK\$ |
|---------------|----------------|--------------|------------------|---------------|
| PLDT | (103.7) | (8.3) | (808.9) | (64.7) |
| Indofood | (23.5) | 14.6 | (183.3) | 113.9 |
| Others | (16.3) | (2.1) | (127.1) | (16.4) |
| Total | (143.5) | 4.2 | (1,119.3) | 32.8 |

5. Earnings per share

| | 2000 Basic US | 1999 Basic US | 2000* Basic HK | 1999* Basic HK |
|--|---------------------|---------------------|----------------------|----------------------|
| Earnings per share are based on | | | | |
| - profit attributable to ordinary shareholders of (\$ millions) | 51.2 | 138.2 | 399.3 | 1,078.0 |
| - and an average number of shares in issue of (millions) | 2,923.9 | 2,586.9 | 2,923.9 | 2,586.9 |
| resulting in earnings per share of (cents) | 1.75 | 5.34 | 13.65 | 41.65 |

As the impact of convertible instruments is anti-dilutive, no diluted earnings per share figures have been presented.

SEGMENTAL REVIEW OF OUR BUSINESSES

| (US\$ millions) | Turnover | | Contribution to Group profit ⁽¹⁾ | |
|---------------------------|----------------|---------|--|--------|
| | 2000 | 1999 | 2000 | 1999 |
| Consumer | | | | |
| Indofood | 1,490.3 | 440.4 | 55.7 | 16.4 |
| Berli Jucker | 281.3 | 294.2 | 9.9 | 15.6 |
| Darya-Varia | 50.5 | 45.7 | 5.0 | 5.6 |
| | 1,822.1 | 780.3 | 70.6 | 37.6 |
| Telecommunications | | | | |
| PLDT | 1,334.5 | 1,184.7 | 25.6 | 18.5 |
| Smart | 80.5 | 307.2 | (9.0) | 13.9 |
| Escotel | 35.7 | 21.6 | (11.8) | (12.6) |
| China telecom ventures | - | - | - | 7.6 |
| | 1,450.7 | 1,513.5 | 4.8 | 27.4 |

| | | | | |
|--|--------------|-----------|--------------|--------|
| Property | | | | |
| Metro Pacific | 240.0 | 317.5 | (6.4) | (4.4) |
| FPDSavills/Savills | 37.2 | 167.4 | 6.0 | 7.7 |
| SPORTathlon | 5.1 | 10.3 | (0.4) | (0.2) |
| | 282.3 | 495.2 | (0.8) | 3.1 |
| Banking | | | | |
| First Pacific Bank ⁽²⁾ | 114.3 | 89.2 | 13.9 | 3.5 |
| Subtotal | 3,669.4 | 2,878.2 | | |
| Non-consolidated operations | (2,860.5) | (1,646.7) | | |
| Contribution from operations before exchange differences | 808.9 | 1,231.5 | 88.5 | 71.6 |
| Corporate overhead | | | (11.8) | (16.0) |
| Finance (charges)/income | | | | |
| - net bank interest | | | (1.4) | 10.5 |
| - convertible bonds ⁽³⁾ | | | (24.3) | (24.7) |
| Recurring profit before exchange differences | | | 51.0 | 41.4 |
| Gain on disposal and dilution of shareholdings less provision for investments ⁽⁴⁾ | | | 143.7 | 92.6 |
| Exchange differences | | | (143.5) | 4.2 |
| Profit attributable to ordinary shareholders | | | 51.2 | 138.2 |

(1) Contribution to Group profit represents profit after taxation, after outside interests and before gain on disposal and dilution of shareholdings less provision for investments and exchange differences.

(2) Turnover represents net interest income, fees, commissions and other revenues.

(3) Includes US\$5.3 million (1999: US\$5.3 million) of interest expense and US\$19.0 million (1999: US\$19.4 million) of redemption premium.

(4) Gain on disposal and dilution of shareholdings less provision for investments has been adjusted as appropriate for related tax and outside interests.

REVIEW OF BUSINESSES

CONSUMER

PT Indofood Sukses Makmur Tbk is the leading processed-foods group in Indonesia. It is based in Jakarta, and is listed on the Jakarta and Surabaya stock exchanges. The principal businesses of Indofood are Instant Noodles, Flour and Edible Oils & Fats, but it also has interests in Snack Foods, Baby Foods, Food Seasonings and Distribution. The First Pacific Group acquired a 40 per cent interest in Indofood in September 1999, and increased this to 48 per cent in December 2000. Further information on Indofood can be found at www.indofood.co.id.

Indofood contributed a profit of US\$55.7 million (1999: US\$16.4 million), reflecting a full year's contribution in 2000 and positioning Indofood as the largest single contributor to Group profits. Indofood's total sales revenue increased by 10 per cent to Rupiah 12.7 trillion (US\$1,490.3

million), against Rupiah 11.5 trillion (US\$1,484.4 million) recorded in 1999. All of Indofood's divisions recorded increased sales volumes. Sales revenues from the Instant Noodles and Flour divisions accounted for more than 60 per cent of Indofood's total sales revenues, as these divisions recorded notable growth year on year. Instant Noodles returned a record level of sales - 9.0 billion packs - up 11 per cent against 1999's 8.1 billion packs, and the Flour division, having introduced 'fighting' brands in response to cheaper imported flour, finished the year with sales volumes of 2.1 million tons, up 25 per cent year on year.

During a year in which the rupiah declined to 9,650 against the U.S. dollar in December 2000, from 6,975 at the start of 2000, costs of imported U.S. dollar denominated raw materials - principally wheat, packaging materials and fuel oil - increased. This put pressure on the overall gross margin in rupiah terms, which closed the year at 29.4 per cent (1999: 31.9 per cent). Increased input costs also affected the rupiah operating margin, as did intensive promotion activities in support of increased sales, however these were partly offset by improved cost efficiencies such that the operating margin for the year was 18.9 per cent (1999: 19.8 per cent). Despite this, Indofood maintained a recurring EBITDA of Rupiah 3 trillion (US\$350 million), demonstrating its strong cash generating capacity, and repaid some US\$300 million of U.S. dollar debt during 2000, which led to reduced net financing charges, year on year.

Berli Jucker Public Company, the Group's flagship in Thailand, is based and publicly listed in Bangkok. It focuses on the manufacturing, marketing and distribution of glass, consumer, technical and imaging products. The First Pacific Group holds an attributable interest of 83.5 per cent. Further information on Berli Jucker can be found at www.berlijucker.co.th.

Berli Jucker contributed a profit of US\$9.9 million (1999: US\$15.6 million), reflecting reduced operating profit. Despite a 10.6 per cent increase in sales for its Technical Products and Imaging division, competitive pressure on margins led to flat operational profit from this division. The Packaging & Consumer Products division, which includes Thai Glass and BJC Cellox, recorded lower sales revenues and profits. Demand for whisky bottles was lower in 2000, with 1999 having benefited from demand associated with the liberalization of the Thai whisky market, and demand for beer bottles was reduced as customers increased their second hand bottle usage. Production was also curtailed to allow for scheduled furnace maintenance. BJC Cellox recorded a 37 per cent increase in tissue paper sales, and maintained solid gross margins. However an increase in running and input costs - fuel oil, pulp and raw materials - eroded the operating profits of this division.

Net finance charges were down 38.6 per cent, following the repayment of US\$47.1 million of loans, and Berli Jucker paid a special interim cash dividend totaling US\$62 million.

PT Darya-Varia Laboratoria, which is based and separately listed in Jakarta, is a leading fully-integrated healthcare company engaged in the manufacture, marketing and distribution of prescription and over-the-counter medicines. The First Pacific Group holds an attributable interest of 89.5 per cent. Further information on Darya-Varia can be found at www.darya-varia.com.

Darya-Varia returned a contribution of US\$5.0 million, down 10.7 per cent against 1999's US\$5.6 million. Darya-Varia's manufacturing and marketing of prescription and over-the-counter products grew over the year, increasing turnover by over two per cent. This was primarily driven by increased sales volumes, with sales of core products increasing by 30 per cent over the year. Darya-Varia's independent Distribution operation returned a year on year increase of 16 per cent in turnover. The gross profit margins for both divisions remained solid as on-going cost controls ensured that operating efficiencies offset the increased cost of imported raw materials as a consequence of the weaker rupiah. Furthermore, despite extensive advertising campaigns to sustain and promote sales of core products, the operating margin improved to 12.1 per cent.

TELECOMMUNICATIONS

Philippine Long Distance Telephone Company is the leading supplier of domestic and international telecommunications services in the Philippines. Actively pursuing a convergence strategy, PLDT is based and listed in Manila, and has ADRs listed on the New York Stock Exchange and the Pacific Exchange. It has three principal business groups - fixed line, wireless and internet/multi media - providing a comprehensive menu of products and services across the most extensive broadband and integrated networks in the country.

In March 2000, PLDT acquired 100 per cent of Smart Communications, including First Pacific's 50.3 per cent interest. In September 2000, the Group consolidated its interest in PLDT by acquiring Metro Pacific's 8.0 per cent interest. As a consequence of these transactions, the First Pacific Group now holds an attributable interest of 24.6 per cent, and a voting interest of 31.7 per cent. Further information on PLDT can be found at www.pldt.com.ph.

PLDT's contribution grew by 38.4 per cent to US\$25.6 million (1999: US\$18.5 million), as bold initiatives taken to diversify revenues were rewarded. The foregoing of earnings growth in the first half of 2000, in order to rapidly and aggressively expand Smart's GSM cellular service, positioned PLDT's wireless group with 2.7 million GSM subscribers. Moreover, as the level of subscriber subsidies abated in the latter part of 2000, Smart returned to profit from July. With 3.5 million subscribers by year-end, PLDT's wireless group is the largest and fastest growing mobile operator in the Philippines.

The newly reorganized Fixed Line operations, recorded improved returns due to average subscribers increasing to 1,922,769 (1999: 1,759,389). As a consequence of PLDT's early adoption of benchmark international accounting rates, international long distance call volumes grew by 116.9 per cent, however this was insufficient to fully compensate for the decline in rates. National long distance call volumes increased by 14.8 per cent, to 3,255.3 million billed minutes, and growth in Data and other network revenues was driven by the launching of new products and services - including BRAINS, PLDT@ctiveBill, Arcstar - and the opening of I-Gate and VITRO. However, promotional pricing had the effect of reducing the operating margins.

Smart Communications, Inc. contributed a US\$9.0 million loss prior to its second quarter 2000 merger with PLDT. The loss stemmed from substantial subscriber acquisition costs incurred as Smart aggressively rolled out its GSM service.

Escotel Mobile Communications Limited, which is based in New Delhi, provides GSM cellular telephone services in Uttar Pradesh (West), Haryana and Kerala. The First Pacific Group holds an attributable interest of 49.0 per cent. Further information on Escotel can be found at www.escotelmobile.com.

Escotel contributed a loss of US\$11.8 million, marginally better than last year. Revenue grew 65.3 per cent as the company rapidly grew its subscriber base by over 160 per cent to close the year with 286,800 subscribers, from 110,200 at the end of 1999. Despite increased promotional costs and subsidies, operating losses were narrowed through increased subscriber revenues. The take-up of prepaid schemes fueled the rapid growth in subscribers, which resulted in average monthly subscriber revenues declining to US\$15.2, from US\$18.7. However, churn and collection issues are much improved, and the completion of a major debt refinancing exercise to secure long-term funding, will enable Escotel to achieve cash break even in the near future.

PROPERTY

Metro Pacific Corporation, which is based and separately listed in Manila, has interests principally in Property (Bonifacio Land Corporation, Landco Pacific and Pacific Plaza Towers). The First Pacific Group holds an attributable interest of 80.6 per cent. Further information on Metro Pacific can be found at www.metropacific.com.

Metro Pacific returned a loss of US\$6.4 million, against a loss of US\$4.4 million in 1999, reflecting reduced contributions from disposed consumer related businesses, and reduced contributions from its property interests.

Bonifacio Land recorded lower results with the completion of Big Delta, in April 2000, prompting the recognition of the remaining revenues and profits from prior land sales, and no further land sales were booked in 2000. The project continues to progress with the completion of key access routes, the development of Expanded Big Delta and technology zone 'E-Square', and the expansion of retail and entertainment facilities. Development has also commenced on the Bonifacio Ridge residential condominium project which, by year-end, had recorded sales of 136 units. There was continued interest in Pacific Plaza Towers, Metro Pacific's signature residential project in the Bonifacio Global City, with cumulative sales reaching 220 units by year-end (1999: 179 units). However economic conditions, coupled with a subdued property market, put margins under pressure. The prevailing economic conditions and land inventory levels also affected Landco Pacific, the residential resort development subsidiary of Metro Pacific, resulting in a decline in Landco's sales and profits. Losses from associates declined significantly, on an improved performance from First e-Bank, and net finance charges were lower as Metro Pacific repaid debt with proceeds from asset disposals.

Savills plc is a leading international property services company, headquartered and listed in London. The First Pacific Group holds an attributable interest of 19.8 per cent. Further information on Savills can be found at www.fpdsavills.co.uk.

During the year, First Pacific effected a number of transactions to re-position its property services interests, which trade under the brand name FPDSavills, as an international property services group. On 7 April 2000, First Pacific combined the Asian interests of First Pacific Davies Limited with Savills in return for 7.8 million new shares in Savills and US\$28.9 million in cash. As a result, the Group's interest in Savills increased to just under 30.0 per cent. On 30 June 2000, in order to further diversify the Group's property interests, First Pacific sold approximately one third of its Savills interest, to US-company Trammell Crow Company, for US\$22.0 million. This reduced the Group's interest in Savills to 19.8 per cent.

The decline in contribution reflects only one quarter of earnings from First Pacific Davies, as well as the fact that 1999 benefited from Guardforce earnings prior to its disposal in February 1999. Earnings from Savills, itself, improved year on year. The contribution to First Pacific represents earnings from Savills for the 12-month period ended 31 October 2000.

DISPOSED BUSINESSES

First Pacific Bank contributed US\$13.9 million, prior to its disposal in December 2000, and **SPORTathlon** contributed a loss of US\$0.4 million prior to its disposal in June 2000.

Note: Unless stated otherwise, quoted comparatives and margins are based on Hong Kong

GAAP adjusted U.S. dollar figures.

DIVIDEND AND CLOSURE OF ORDINARY SHARE REGISTER

The Board has recommended a final cash dividend of HK1.00 cent (US0.13 cent) per ordinary share, in addition to the previously paid interim dividend of HK1.00 cent (US0.13 cent) per ordinary share. The total dividend for the year is HK2.00 cents (US0.26 cent) per ordinary share totalling HK\$60.0 million (US\$7.7 million), compared with HK\$117.0 million (US\$15.0 million) in 1999.

The ordinary share register will be closed from 17 May 2001 to 18 May 2001, both dates inclusive. In order to qualify for the final dividend, all transfers must be lodged with the Company's Hong Kong Branch Registrar, Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 pm on 16 May 2001. It is expected that the final dividend will be paid in the currencies in accordance with the registered address of the shareholders (i.e. HK dollars for Hong Kong, Macau and PRC shareholders, Sterling pounds for UK shareholders and US dollars for all other countries) on or about 29 May 2001.

LISTED SECURITIES

In December 2000, 221.8 million new shares were issued by the Company at a price of HK\$2.15 (US\$0.28) per share, being the 10-day average share price on and before the completion date, to finance the acquisition of an additional 8.0 per cent interest in Indofood.

Except as described or referred to above, there has been no purchase, sale or redemption of any of the Company's listed securities during the year by the Company or any of its subsidiary companies.

In December 2000, the Group redeemed early and canceled the remaining US\$8.5 million face value of its 2003 floating rate notes at par.

In December 2000, the Group acquired 421.2 million shares of FPB Bank Holding Company Limited at a price of HK\$3.50 (US\$0.45) per share from MIMET FOTIC Investment Limited. These shares, together with the Group's original 514.8 million shareholding, were sold to The Bank of East Asia Limited at the same price, also in December 2000.

Except as described or referred to above, there has been no issue, redemption or conversion of any convertible securities or options in issue by the Company's subsidiary companies.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the year with the Company's Code of Best Practice, which incorporates the items set out in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

In compliance with the additional requirement of The Stock Exchange of Hong Kong Limited to its Code of Best Practice, the Company established an Audit Committee in 1998, which is currently composed of two independent Non-executive Directors. Reporting to the Board of Directors, the Audit Committee reviews matters within the purview of audit, such as Financial Statements and internal control, to protect the interests of the Company's shareholders. The Audit Committee meets regularly with the Company's external auditors to discuss the audit process and accounting issues.

DETAILED RESULTS ANNOUNCEMENT

A detailed results announcement containing all the information required by the Listing Rules paragraphs 45(1) to 45(3) of Appendix 16 will be published on the Stock Exchange's website in due course.

ANNUAL REPORT

The 2000 Annual Report will be sent to shareholders on or about the 28 April 2001.

By Order of the Board

Manuel V. Pangilinan

Executive Chairman

5 March 2001

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