Monday, 4 March 2002

FIRST PACIFIC RECORDS US$1.8 BILLION LOSS, REFLECTING PREVIOUSLY ANNOUNCED PROVISIONING

Earnings from current investments up 13%; Convertible Bond repayment now fully funded

First Pacific today reported a US$1.8 billion (HK$14.0 billion) attributable loss for the year 2001, reflecting previously announced impairment provisions of US$1.7 billion (HK$13.3 billion), and losses on disposals totaling US$108.7 million (HK$847.9 million).

Contribution from continuing businesses was up 13 per cent at US$61.0 million (HK$475.8 million), while recurring profit was down 13 per cent to US$44.6 million (HK$347.9 million) reflecting the absence of contributions from disposed businesses.

Commenting on the results Manuel V. Pangilinan, Executive Chairman of First Pacific said: "2001 was a year of challenges for First Pacific during which we conclusively addressed a number of issues relating to Head Office debt and the Group's balance sheet. Our response to these challenges has very much shaped our financial results, with the US$1.7 billion (HK$13.3 billion) asset impairment provision being of particular relevance. This was necessary and prudent; it better aligns First Pacific's book values with market values at this point in time, and the more realistic values afford a basis for sensible financial performance measures going forward.

"We have also fully funded the repayment of First Pacific's convertible bonds, having summarily effected the necessary sales of non-core assets and raised new debt in order to conclude this. In addition, our remaining businesses have returned improved contributions – up 13 per cent – and we have continued to take the necessary steps to reduce Head Office costs. When viewed in its totality, 2001 was a year of achievement and progress."

Impairment provisioning

During the course of 2001, First Pacific management continuously – and diligently – reviewed the book values of its investments. There had been a continued and substantial decline in regional currencies since First Pacific first invested in the Philippines and Indonesia, and equity values in those countries also had been adversely affected by the associated country risks. Moreover, MPC's investment in BLC had been significantly and adversely affected by the protracted decline in the Philippine property market. The result was that the book values of First Pacific's investments were significantly higher than the market value. Accordingly, First Pacific at year-end made the decision to make provisions, against these investments, that reflect the most pessimistic view of regional asset values at this point in time.

Such provisions are non-cash in nature and affect neither First Pacific's sound financial position, nor the long-term growth potential of its principal investments. As a consequence of the provisions, the carrying values of MPC, PLDT and Indofood have been written down by US$745.1 million (HK$5.8 billion), US$565.8 million (HK$4.4 billion) and US$299.6 million (HK$2.3 billion), respectively. The revised carrying values for MPC, PLDT and Indofood are US$98.2 million (HK$766.0 million), US$559.3 million (HK$4.4 billion) and US$506.6 million (HK$4.0 billion), respectively, and represent the lower end of their respective estimated value ranges as at the year end 31 December 2001. In addition, First Pacific has recorded a US$100.0 million (HK$780.0 million) general risk provision.

The total US$1.7 billion (HK$13.3 billion) provision comprised impairments relating to goodwill of US$874.0 million (HK$6.8 billion), foreign exchange of US$264.0 million (HK$2.0 billion) and net tangible assets of US$572.5 million (HK$4.5 billion).

Mr. Pangilinan commented: "There is still inherent value in the significant shareholdings that First Pacific holds in these investments and I believe there is still excellent potential for long-term value development. Indeed, more realistic values afford the basis for sensible financial performance measures going forward and, being non-cash accounting allocations, the provisions have no impact on First Pacific's fundamentally sound financial position."

Convertible bonds; new debt; asset disposals

In March 1997, US$350.0 million (HK$2.7 billion) of five-year convertible bonds were issued by First Pacific Capital (1997) Limited, a wholly owned subsidiary of First Pacific, at a coupon rate of 2 per cent. These bonds are due for repayment on 27 March 2002. At 31 December 2000, convertible bonds in the principal amount of US$267.9 million (HK$2.1 billion) were outstanding, and redeemable at a total cost of US$367.3 million (HK$2.9 billion), including redemption premium and accrued interest.

In October 2001 First Pacific utilized cash on hand to cancel US$20.1 million (HK$156.8 million) of principal outstanding at a total cost of US$25.5 million (HK$198.9 million). Thereafter, to facilitate the convertible bonds repayment, First Pacific expeditiously arranged the timely sales of two non-core businesses, Berli Jucker and Darya-Varia, which were sold for US$125.0 million (HK$975.0 million) and US$35.0 million (HK$273.0 million), respectively, in December 2001. Previously, in March 2001, First Pacific disposed of its entire interest in non-core Savills plc for £29.4 million (US$41.6 million HK$324.5 million).

In addition, for the purpose of repaying the convertible bonds, First Pacific secured a HK$1.56 billion (US$200.0 million), two-year term loan facility from ING Bank NV in November 2001.

Through a combination of cash and new debt, a further US$117.3 million (HK$914.9 million) of principal outstanding was canceled in January 2002, at a total cost of US$157.5 million (HK$1.2 billion). Having canceled all of the convertible bonds available from the market, First Pacific then deposited, on 31 January 2002, sufficient funds, with the appointed trustee of the convertible bonds, for the purpose of redeeming, in full upon maturity on 27 March 2002, all of the US$130.5 million (HK$1.0 billion) convertible bonds that remained outstanding at a total cost of US$176.3 million (HK$1.4 billion), including redemption premium and accrued interest.

This concludes the early repayment of First Pacific's convertible bonds and, through this process, First Pacific drew down HK$1.48 billion (US$190.0 million) of the new ING Bank NV facility, in accordance with the facility's terms.

"The convertible bonds repayment has been central to management's focus throughout 2001," commented Mr. Pangilinan. "Late in the year, we recognized the need to make asset disposals and set about efficiently and swiftly concluding the disposals of Berli Jucker and Darya-Varia, both at premiums to market. Through these sales and the new debt facility, First Pacific had sufficient resources with which to settle its convertible bonds on maturity in March 2002. However, when it became evident that MPC would not be able to repay the Larouge loan, we decided to effect early repayment of the convertible bonds in order to allay investor concerns."

Larouge loan

In April 2001, Larouge, a wholly owned subsidiary of First Pacific, advanced to MPC a US$90.0 million (HK$702.0 million) loan under terms and conditions approved by First Pacific's shareholders. The Larouge loan is secured by a pledge over BLC shares, that the MPC Group owns, representing approximately 50.4 per cent of the issued share capital of BLC. BLC is a 55.0 per cent shareholder in a joint venture project with the Philippine Government that commenced, in 1995, the re-development of a 155-hectare part of a new Metro Manila central business district, the Bonifacio Global City, which previously was a Philippine military base.

The Larouge loan was due and payable in October 2001; however, the repayment deadline was extended to 31 December 2001 in light of MPC's decision to offer for sale its entire 69.6 per cent interest in BLC. At that time, MPC intended to repay the loan with proceeds from the sale of its controlling interest in BLC.

However, due to the continued depressed real estate values in the Philippines, MPC has not yet been able to conclude such a sale and, in January 2002, advised First Pacific that it was unable to repay the outstanding loan and interest. First Pacific is now a senior secured creditor and has undertaken to co-manage with MPC the ongoing sale of MPC's 69.6 per cent controlling interest in BLC. In the event of a sale agreement being reached, First Pacific will offer its 50.4 per cent secured interest in BLC as part of any sale.

MPC has recently announced its intention to implement a debt reduction plan which may include the sale of assets, discussions with creditors for extended interest and principal repayment grace periods, the conversion of short term loans into longer term facilities and the conversion of certain debts into MPC subsidiary equity. While the sale of BLC is ongoing as this remains a debt reduction option, MPC intends to focus on enhancing and realizing the values of its investments in the Bonifacio Global City.

As of today, none of Metro Pacific's liabilities are guaranteed by First Pacific, which itself remains a secured creditor of Metro Pacific. First Pacific will not infuse any additional funds into Metro Pacific as part of Metro Pacific's proposed debt reduction plan.

Operations

First Pacific's impairment provisions, consistent with First Pacific's prudent and conservative approach to financial reporting, have significantly affected the 2001 results. A fundamental component of the 13 per cent year-on-year decline in recurring profit, to US$44.6 million (HK$347.9 million), has been the absence of contributions from disposed businesses, in particular First Pacific Bank which was sold in December 2000 and which contributed US$13.9 million (HK$108.4 million) to earnings in 2000.

Net contribution from First Pacific's remaining businesses – PLDT, Indofood, MPC, Escotel and Infrontier – is up 13 per cent as First Pacific's telecom interests, in particular, returned improved contributions. PLDT's contribution increased to US$42.8 million (HK$333.8 million) (2000: US$16.6 million HK$129.5 million), while Escotel reduced its losses to US$6.2 million (HK$48.4 million) (2000: Loss of US$11.8 million HK$92.0 million). Contribution from Indofood, First Pacific's consumer interest, declined 14 per cent to US$48.1 million (HK$375.2 million) (2000: US$55.7 million HK$434.5 million) amidst a challenging market environment and declining rupiah, while a continuously weak Philippine real estate market, and the completion of key projects, spurred the increase in MPC's loss to US$14.6 million (HK$113.9 million) (2000: Loss of US$6.4 million HK$49.9 million). Infrontier, First Pacific's business solutions provider, returned a loss of US$9.1 million (HK$71.0 million) in its first year of operation.

Commenting on First Pacific's operations, Mr. Pangilinan said: "The year 2001 saw PLDT triple its peso net income to Pesos 3.4 billion (2000: Pesos 1.1 billion) while retaining a strong consolidated EBITDA margin of 53 per cent. Its cellular businesses, Smart and Piltel, are market leaders and, between them, closed 2001 with 6.4 million subscribers, up 81 per cent year on year. Escotel, First Pacific's telecoms interest in India, achieved monthly breakeven in 2001 and by year-end had grown its subscriber base by 54 per cent to 441,504 subscribers, accounting for more than eight per cent of India's cellular market.

"Indofood had a challenging year but, notwithstanding this, returned a respectable 15 per cent growth in rupiah-denominated net sales and net income. Margins were under pressure as the rupiah depreciated, local fuel and transport costs grew, and competition intensified. However, Indofood has learned from, and initiated improvements in response to these challenges and is poised for a better 2002. In addition, reflecting its strong cash flows, during 2001 Indofood paid off US$200 million (HK$1.6 billion) of debt, paid a dividend of 25 per cent (Rupiah 18 per share) and continued with its share buy-back program."

Outlook

"The resolution of MPC's debt and operational issues is a top priority for the Group," said Mr. Pangilinan. "To lead these efforts, I have assumed the roles of President and CEO and Mr. Edward Tortorici, Executive Director of First Pacific, has been appointed to MPC's board. Mr. Augie Palisoc Jr., formerly of Berli Jucker, has been appointed to advise MPC. We are confident that MPC will present its creditors with a viable business plan which, in conjunction with MPC's debt restructuring exercise, will eliminate concerns about MPC's future business prospects.

"At the First Pacific level, we will continue to apply our core principle of actively managing investments – with the events of 2001 having sharpened this focus – to grow the capital and/or income value of our underlying businesses. Such enhancements are necessary to grow value for shareholders at the subsidiary level and to afford First Pacific the leverage capability it needs to return to creating and extracting value for shareholders at the First Pacific level as well."

There follows an overview of the performances of each of the Group's operating companies:

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, and it also has interests in Snack Foods, Baby Foods, Food Seasonings and Distribution. First Pacific held a 48.7 per cent economic interest in Indofood at 31 December 2001 which, as a consequence of Indofood's continuing share buy back program, has now increased to 49.2 per cent. Further information on Indofood can be found at www.indofood.co.id.

Indofood contributed a profit of US$48.1 million (HK$375.2 million) (2000: US$55.7 million HK$434.5 million), positioning Indofood as the largest contributor to Group profits. Indofood's net sales revenue increased by 15 per cent to Rupiah 14.6 trillion (US$1,414.9 million HK$11.0 billion), against Rupiah 12.7 trillion (US$1,490.3 million HK$11.6 billion) recorded in 2000. All of Indofood's divisions recorded increased sales revenues, with the exception of Baby Foods which did not record comparable aid-related sales in 2001. Indofood's principal divisions of Noodles, Flour and Edible Oils & Fats recorded growth of 11 per cent, 29 per cent and four per cent, respectively, in rupiah terms.

During the year the rupiah declined to 10,400 against the U.S. dollar in December 2001, from 9,650 at the start of 2001. This resulted in increasing the costs of imported U.S. dollar denominated raw materials - principally wheat, packaging materials and fuel oil – thereby eroding Indofood's gross margin to 26.4 per cent (2000: 29.4 per cent). Despite this, Indofood's gross profit improved by three per cent to Rupiah 3.9 trillion (US$0.4 billion HK$3.1 billion). Increased transportation and salary costs contributed to the decline in Indofood's rupiah operating margin to 13.9 per cent (2000: 18.9 per cent).

Despite the contraction in operating profit, Indofood's reported rupiah net income grew by 15 per cent to Rupiah 746.3 billion (US$72.5 million HK$565.5 million) principally because of lower foreign exchange losses due to lower balances of U.S. dollar denominated debt. Indofood continued to generate strong cash flows, recording EBITDA of US$232.9 million (HK$1.8 billion) – equivalent to US$19 million (HK$148.2 million) per month – in 2001. This enabled Indofood to repay some US$200 million (HK$1.6 billion) of debt during the year, thereby improving Indofood's debt to equity ratio to 1.6 times (2000: 2.1 times) and its net gearing ratio to 1.3 times (2000: 1.5 times).

Philippine Long Distance Telephone Company is the leading telecommunications provider in the Philippines. Through its three principal business groups – Fixed Line, Wireless and Information and Communications Technology – PLDT offers a wide range of telecommunications services across the country's most extensive fiber optic backbone, fixed line and cellular network. PLDT is based and listed in Manila, and has ADRs listed on the New York Stock Exchange and the Pacific Exchange located in San Francisco, California. First Pacific holds an economic interest of 24.4 per cent, and a voting interest of 31.5 per cent in PLDT. Further information on PLDT can be found at www.pldt.com.ph.

PLDT's contribution grew by 67 per cent to US$42.8 million (HK$333.8 million) (2000: US$16.6 million HK$129.5 million), as PLDT's Wireless business turned a year 2000 operating loss of Pesos 3.5 billion (US$79.2 million HK$617.8 million) into a 2001 operating income of Pesos 2.9 billion (US$56.6 million HK$441.5 million).

Cellular, which accounts for 96 per cent of the total revenues of Wireless, fuelled the recovery and growth of this segment, principally through the 75 per cent gain in cellular revenues from Smart. Underpinning this was strong subscriber growth as Smart closed the year with 4.9 million (2000: 2.9 million) subscribers while Piltel, reseller of Smart's GSM service under its Talk 'N Text brand, closed with 1.5 million (2000: 0.7 million) subscribers. Over the year, Smart and Piltel more than doubled their combined GSM subscriber base to almost six million (2000: 2.7 million), with Piltel growing its Talk 'N Text subscriber base to 1.3 million subscribers, from 0.4 million subscribers one year ago.

Subscriber growth has been driven in part by the phenomenal growth of the Philippines' cellular phone culture and, in particular, the popularity of SMS, or text messaging, as a preferred means of communicating. During 2001, 12.3 billion (2000: 3.9 billion) outgoing messages were sent over Smart's network, which translates to 33.8 million messages per day during 2001. The ratio of text to voice calls now stands at nine text to one voice, and SMS revenues have risen accordingly to Pesos 6.2 billion (US$121.5 million HK$947.7 million) in 2001.

Fixed Line, PLDT's foundation business segment, recorded respectable growth despite the phenomenal success of Cellular, subscribers of which now outnumber Fixed Line subscribers by three to one. Fixed Line revenues reached Pesos 46.9 billion (US$918.4 million HK$7.2 billion) in 2001, up two per cent, with growth largely from Local Exchange and Data services which, together, make up 56.8 per cent of Fixed Line revenues.

Local Exchange benefited from the increase in the average number of billed lines in service and currency linked adjustments, while Data services continued to expand its range of services which resulted in a corresponding growth in revenues. Revenues from Data, which is PLDT's fastest growth segment, continue to grow in size and significance and now represent 10 per cent of total Fixed Line revenues.

Fixed Line's International and National Long Distance businesses have returned weaker results in 2001. Despite inbound international minutes improving 18 per cent, declining international settlement rates eroded revenues. Outbound call volumes grew by 20 per cent, however revenues declined on lower prices. National Long Distance revenues were adversely affected by lower call volumes, which have been negatively impacted by alternate means of communicating, and price reductions introduced to encourage use.

PLDT's Information and Communications Technology interests are operated through ePLDT, a wholly owned subsidiary of PLDT. A recently formed entity, ePLDT is in its nascent stage of development and is currently loss making. However ePLDT continues to roll out its services such that revenues, while modest in absolute terms, have almost doubled over 2001 and now contribute almost one per cent of PLDT's operating revenues.

During 2001 PLDT undertook a series of liability management initiatives designed to address its maturing debts. Between 2002 and 2004 PLDT has US$1.3 billion (HK$10.1 billion) of debt obligations maturing of which approximately half will be serviced through internally generated cash flows. To this end, PLDT pared back capex spend to Pesos 9.7 billion (US$190.0 million HK$1.5 billion) and has reduced cash spend over successive quarters. These cost containment initiatives will continue, and PLDT is in on-going discussions with lenders, having recently secured a US$149.0 million (HK$1.2 billion) facility from Kreditanstalt fur Wiederaufbau (KfW) of Germany.

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 economic interest of 80.6 per cent. Further information on Metro Pacific can be found at www.metropacific.com.

Metro Pacific recorded a loss of US$14.6 million (HK$113.9 million), against a loss of US$6.4 million (HK$49.9 million) in 2000, reflecting a depressed Philippine real estate market and the completion of Big Delta, prompting the recognition in April 2000 of the remaining revenues and profits from prior land sales.

Bonifacio Land concluded two land sales in 2001, however these were insufficient to generate comparable revenues to those recognized over recent years over the development of Big Delta. Toward the end of 2001, agreement was reached on the sale of a five-hectare area, adjacent to the Manila Golf Course, for Pesos 2.5 billion, with the site earmarked for mixed-use development. This sale was concluded in early 2002. The Bonifacio Stopover and HatchAsia developments were both completed and occupied during the year, and lease agreements were made with new Global City locators, most notably a 50-year lease with St. Luke's to build a medical complex.

There was continued interest in Pacific Plaza Towers, Metro Pacific's signature residential project in the Bonifacio Global City, with cumulative sales reaching 293 units by year-end (2000: 220 units). However, a depressed property market put Pacific Plaza Towers' margins under pressure. Landco Pacific improved its turnover as its Punta Fuego luxury development was completed and sold, however the property market conditions also contributed to the erosion of Landco Pacific's margins. Nenaco improved its operating profit as it reaped the benefits of cost cutting measures and introduced efficiencies.

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 economic interest of 49.0 per cent. Further information on Escotel can be found at www.escotelmobile.com.

Escotel reduced its losses by almost half, contributing a loss of US$6.2 million (HK$48.4 million) in 2001. Revenues were up 50 per cent to Rupees 2.5 billion (US$53.5 million HK$417.3 million) as Escotel added subscribers at an average rate of 13 thousand per month. Over 2001, Escotel's subscriber base grew 54 per cent to close the year at 441,504 (2000: 286,800), accounting for over eight per cent of the overall Indian cellular market, and it continues to enhance its market leadership in all three of its markets.

ARPUs in 2001 averaged Rupees 532 (US$11.3 HK$88.1) (2000: Rupees 684 US$15.2 HK$118.6). This decline is attributable to the fact that 68 per cent of Escotel's subscribers are now on prepaid services.

In March 2001, Escotel put in place five-year financing when it refinanced US$75.2 million (HK$586.6 million) of offshore debt and secured a domestic debt facility equivalent to approximately US$112 million (HK$873.6 million). These facilities enabled the repayment of short-term debt and provide the funds for network enhancements necessary to support Escotel's growing subscriber base. Over the year, average interest rates were broadly similar with Escotel's increase in net borrowing costs largely attributable to higher average debt balances.

Infrontier, which is headquartered in Hong Kong, is a business solutions provider that is wholly-owned by First Pacific. Further information on Infrontier can be found at www.infrontier.com.

Infrontier recorded a loss of US$9.1 million (HK$71.0 million) in its first year of commercial operations. Revenues, excluding sales to Group companies, of US$1.5 million (HK$11.7

million) were generated, arising approximately 60 per cent from Business Solutions and approximately 40 per cent from Technical and Professional Services. Approximately half of Infrontier's total revenues are generated from third party clients, which include large, local and multinational companies involved in the industries of logistics, consumer goods and pharmaceuticals.

Infrontier's revenues were offset by staff and consultancy costs, while borrowings as at 31 December 2001 were US$1.5 million (HK$11.7 million).

Disposed businesses: Savills plc, contributed US$1.6 million (HK$12.5 million), prior to its disposal in March 2001. Berli Jucker and Darya-Varia, both of which were disposed in December 2001, contributed US$13.5 million (HK$105.3 million) and US$2.7 million (HK$21.1 million), respectively, prior to disposal.

Note: Unless stated otherwise, quoted comparatives and margins are based on Hong Kong GAAP adjusted U.S. dollar figures.

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TELECOM SUBSCRIBER DATA

		Number of subscribers (in thousands)		
		31 Dec 2001	**31 Dec 2000**	**31 Dec 1999**
PLDT	**-fixed line:**	2,174	2,000	1,846
Piltel	**-cellular:**	1,475	657	457
Smart	**-cellular:**	4,894	2,858	1,025
	-fixed line:	--	--	107
Escotel		442	287	110
Total		**8,985**	**5,802**	**3,545**

EXCHANGE RATES

Closing	2001	2000	% depreciation
Peso	51.60	49.96	3.2%
Rupiah	10,400	9,650	7.2%
Baht	44.20	43.16	2.4%
Rupee	48.25	46.72	3.2%

Average	2001	2000	% depreciation
Peso	51.04	44.67	12.5%
Rupiah	10,294	8,523	17.2%
Baht	44.51	40.43	9.2%
Rupee	47.24	45.07	4.6%

FIRST PACIFIC COMPANY LIMITED
2001 ANNUAL RESULTS

CONTRIBUTION SUMMARY	Turnover		Contribution to Group (loss)/profit[(i)]	
	2001	2000	**2001**	2000
	US$m	US$m	**US$m**	US$m
Indofood	**1,414.9**	1,490.3	**48.1**	55.7
PLDT^	**-**	-	**42.8**	25.6
Smart[(ii)]	**-**	80.5	**-**	(9.0)
Metro Pacific	**134.4**	240.0	**(14.6)**	(6.4)
Escotel^	**-**	-	**(6.2)**	(11.8)
Infrontier	**1.5**	-	**(9.1)**	-
From continuing businesses	**1,550.8**	1,810.8	**61.0**	54.1
From disposed businesses[(iii)]	**300.9**	488.4	**17.8**	34.4
From operations	**1,851.7**	2,299.2	**78.8**	88.5
Corporate overhead			**(12.4)**	(13.2)
Net finance charges			**(21.0)**	(25.7)
Other (expenses)/income			**(0.8)**	1.4
Recurring profit			**44.6**	51.0
Exchange losses			**(22.4)**	(143.5)
(Loss)/gain on disposal and dilution of shareholdings and provision for investments			**(1,819.2)**	143.7
(Loss)/profit attributable to ordinary shareholders			**(1,797.0)**	51.2

^ *Associated companies.*
(i) *After taxation and outside interests, where appropriate.*
(ii) *Merged with PLDT on 24 March 2000.*
(iii) *Represents Berli Jucker, Darya-Varia, Savills plc, First Pacific Bank and SPORTathlon.*

FIRST PACIFIC COMPANY LIMITED
2001 ANNUAL RESULTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December	**2001**	2000 (Restated)	**2001**	2000 (Restated)
	US$m	US$m	**HK$m**	HK$m
Turnover	**1,851.7**	2,299.2	**14,443.3**	17,933.8
Cost of sales	**(1,362.3)**	(1,561.8)	**(10,626.0)**	(12,182.0)
Gross profit	**489.4**	737.4	**3,817.3**	5,751.8
(Loss)/gain on disposal and dilution of shareholdings and provision for investments	**(2,238.3)**	142.3	**(17,458.7)**	1,109.9
Other operating income	**17.1**	12.9	**133.4**	100.6
Distribution costs	**(142.0)**	(115.0)	**(1,107.6)**	(897.0)
Administrative expenses	**(150.3)**	(240.9)	**(1,172.3)**	(1,879.0)
Other operating expenses	**(17.7)**	(142.7)	**(138.1)**	(1,113.1)
Operating (loss)/profit	**(2,041.8)**	394.0	**(15,926.0)**	3,073.2
Share of profits less losses of associated companies	**11.8**	(132.4)	**92.0**	(1,032.7)
Net borrowing costs	**(103.6)**	(107.7)	**(808.1)**	(840.1)
(Loss)/profit before taxation	**(2,133.6)**	153.9	**(16,642.1)**	1,200.4
Taxation	**(61.4)**	(35.6)	**(478.9)**	(277.7)
(Loss)/profit after taxation	**(2,195.0)**	118.3	**(17,121.0)**	922.7
Outside interests	**398.0**	(67.1)	**3,104.4**	(523.3)
(Loss)/profit attributable to ordinary shareholders	**(1,797.0)**	51.2	**(14,016.6)**	399.4
Ordinary share dividends	**-**	7.7	**-**	60.1
	US¢	US¢	**HK¢**	HK¢
Basic and diluted (loss)/earnings per share	**(57.23)**	1.75	**(446.39)**	13.65

CONSOLIDATED STATEMENT OF RECOGNIZED GAINS AND LOSSES

For the year ended 31 December	**2001**	2000	**2001**	2000
	US$m	US$m	**HK$m**	HK$m
Exchange differences on the translation of the financial statements of foreign entities	**(14.9)**	(180.3)	**(116.2)**	(1,406.3)
Realization of property revaluation	**1.3**	24.7	**10.1**	192.6
Net losses not recognized in the profit and loss statement	**(13.6)**	(155.6)	**(106.1)**	(1,213.7)
(Loss)/profit attributable to ordinary shareholders	**(1,797.0)**	51.2	**(14,016.6)**	399.4
Total recognized losses for the year	**(1,810.6)**	(104.4)	**(14,122.7)**	(814.3)
Goodwill arising on acquisitions and written off against reserves	**-**	(312.7)	**-**	(2,439.1)
	(1,810.6)	(417.1)	**(14,122.7)**	(3,253.4)

FIRST PACIFIC COMPANY LIMITED
2001 ANNUAL RESULTS

CONSOLIDATED BALANCE SHEET

As at 31 December	**2001** **US$m**	2000 (Restated) US$m	**2001** **HK$m**	2000 (Restated) HK$m
Non-current assets				
Property and equipment	**840.2**	2,001.6	**6,553.6**	15,612.5
Associated companies	**(23.6)**	19.1	**(184.1)**	149.0
Long-term receivables	**176.3**	207.8	**1,375.1**	1,620.8
Long-term investments	**-**	5.2	**-**	40.6
Pledged deposits	**-**	50.7	**-**	395.4
	992.9	2,284.4	**7,744.6**	17,818.3
Current assets				
Cash and bank balances	**310.1**	369.5	**2,418.8**	2,882.1
Pledged deposits	**41.0**	8.0	**319.8**	62.4
Short-term investments	**11.5**	16.4	**89.7**	127.9
Accounts receivable and prepayments	**328.7**	518.5	**2,563.8**	4,044.3
Inventories	**361.5**	259.0	**2,819.7**	2,020.2
	1,052.8	1,171.4	**8,211.8**	9,136.9
Current liabilities				
Accounts payable and accruals	**514.0**	401.3	**4,009.2**	3,130.1
Short-term borrowings	**750.2**	526.1	**5,851.5**	4,103.6
Provision for taxation	**23.1**	27.6	**180.2**	215.3
	1,287.3	955.0	**10,040.9**	7,449.0
Net current (liabilities)/assets	**(234.5)**	216.4	**(1,829.1)**	1,687.9
Total assets less current liabilities	**758.4**	2,500.8	**5,915.5**	19,506.2
Equity capital and reserves				
Share capital	**31.4**	31.4	**244.9**	244.9
Reserves	**(222.6)**	338.1	**(1,736.3)**	2,637.2
Shareholders' equity	**(191.2)**	369.5	**(1,491.4)**	2,882.1
Outside interests	**392.2**	935.6	**3,059.2**	7,297.6
Non-current liabilities				
Loan capital and long-term borrowings	**391.4**	918.5	**3,052.9**	7,164.3
Deferred liabilities and provisions	**130.0**	247.4	**1,014.0**	1,929.7
Deferred taxation	**36.0**	29.8	**280.8**	232.5
	557.4	1,195.7	**4,347.7**	9,326.5
	758.4	2,500.8	**5,915.5**	19,506.2

Number of shares in issue (millions)	**3,139.8**	3,139.8	**3,139.8**	3,139.8