

Monday, 21 January 2002

FIRST PACIFIC CANCELS US\$11 MILLION OF CONVERTIBLE BONDS

First Pacific Company Limited announced today that it has canceled US\$11 million of its outstanding convertible bonds, for a total cost of approximately US\$15 million.

Post this transaction, the outstanding face value is reduced to US\$175 million, from US\$186 million, and the redemption payable is reduced to US\$234 million, from US\$249 million.

Background:

In March 1997, US\$350 million 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. The bonds may be converted into shares up until March 2002 at a strike price of HK\$12.25 per share, and are redeemable at a price of 134.129 per cent of face value.

First Pacific has to date canceled approximately 50 per cent of the amount originally issued, and has accrued the premium to maturity since 1997.

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