

Monday, 26 March 2001

FIRST PACIFIC PLEDGES US\$90 MILLION TO METRO PACIFIC

First Pacific announces that it has agreed to extend temporary funding, of up to US\$90 million (HK\$702.0 million), to Philippine affiliate Metro Pacific. This funding is to enable Metro Pacific to meet its convertible bond redemption obligations, which could total US\$88.0 million (HK\$686.4 million), due in April 2001.

Under the terms of the agreement, First Pacific will extend a US\$90 million (HK\$702.0 million) short-term facility, at an interest rate of 15 per cent, to be repaid by or before 31 December 2001. First Pacific will utilise existing cash on hand to fund the loan.

The transaction is subject to certain conditions, including the approval of First Pacific's shareholders. A circular, detailing the transaction and convening the special general meeting, will be issued shortly.

Commenting on the transaction, Mr. Manuel V. Pangilinan, First Pacific's Executive Chairman, said: "While Metro Pacific's projected cash flows are sufficient to service its debts, these alone cannot meet a debt repayment as significant as that relating to Metro Pacific's convertible bonds.

"The First Pacific facility is intended to enable Metro Pacific to meet its immediate obligations and, against a general upturn in Philippine market sentiment, the facility affords Metro Pacific the latitude to address its overall debt position through an orderly process. The raising of long-term funding, consistent with the long-term nature of its property revenue streams, remains the primary objective of Metro Pacific."

*Note: Translations are for illustrative purposes only, and are at the approximate rate of:
US\$1.00 = HK\$7.80*

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