

**9th June 1998**

**FIRST PACIFIC'S METRO PACIFIC SETS TERMS OF P20 BILLION NEW SHARE OFFER**

First Pacific Company Limited's Philippine flagship, Metro Pacific Corporation, announced that it has set the terms of its proposed offering of Pesos 20 billion (approximately HK\$4.0 billion) of new shares on a pro rata basis to its shareholders.

Proceeds from the offering, which will be conducted in two tranches, will be used to extinguish Metro Pacific's term debt at the head office level, which is primarily denominated in foreign currency.

The first step of the capital raising comprises the issuance of Pesos 14 billion (HK\$2.8 billion) of new Metro Pacific shares to the First Pacific Group at a price of Pesos 1.30 (HK\$0.26) each, representing a 5 per cent discount to Metro Pacific's closing price over the five trading days before 8th June 1998. This is expected to be completed by 30th June 1998.

The second step, expected to be conducted in the fourth quarter once Philippine regulatory approval is secured, is anticipated to raise Pesos 6 billion (HK\$1.2 billion) through the sale of Metro Pacific shares and warrants reserved for Metro Pacific's minority shareholders. These shareholders will be entitled to elect whether to take up shares or warrants that can be converted into Metro Pacific shares. It is anticipated that an underwriter will be appointed shortly for the warrants alternative, terms of which will be announced once they have been finalized.

Following the first step in the new share offering, First Pacific's direct and indirect economic interest in Metro Pacific will increase from approximately 73 per cent to approximately 89 per cent. This level is expected to return to approximately 73 per cent following full completion of the second step.

First Pacific's Managing Director, Manuel V. Pangilinan, said: "Metro Pacific's new share offering, which was initially announced in January, is a key step in strengthening its balance sheet. This will ensure that the Company is positioned to focus on enhancing the performance of its diverse businesses. The Philippines has emerged as the most promising market in Southeast Asia and we believe that Metro Pacific's strength places us exceptionally well to benefit from the nation's economic progress."