

19th May 1998

FIRST PACIFIC BUYS BACK US\$20 MLN OF CONVERTIBLE BONDS

First Pacific Company Limited announced today that it has repurchased from the market US\$20 million of its US\$350 million five-year convertible bonds which were issued in March 1997.

The bonds were acquired from various institutions at prices of between 83.8 per cent and 88.0 per cent of their face value.

Under the terms of their issue, the bonds, which have a coupon rate of 2 per cent, may be converted into shares up until March 2002 at a strike price of HK\$12.25 per share. Should the shares fail to be converted, they would be redeemed at a price of 134 per cent of their face value, which implies an annual yield of 9.6 per cent inclusive of the coupon. First Pacific has begun to accrue the premium to maturity in its 1997 accounts.

First Pacific's Managing Director Manuel V. Pangilinan said: "This is a prudent use of a relatively small portion of the available cash that First Pacific now has on its books. The US\$20 million in bonds that we have purchased and will cancel would have cost us nearly US\$27 million to redeem four years from now. This purchase at a discount will have a modestly positive effect on our EPS in the coming years."

Through the recent sale of several mature assets, First Pacific has raised in excess of US\$2 billion. Some US\$550 million is being used or set aside to extinguish existing head-office bank debt, a further US\$600 million is being injected into remaining growth businesses and the rest of the funds will be used to acquire control of attractively priced assets in Southeast Asia.