



## FIRST PACIFIC COMPANY LIMITED

*(Incorporated with limited liability under the laws of Bermuda)*

# Press Release

## **7-YEAR US\$215 MLN BOND REDEEMED IN FULL**

### *Replaced by Lower-Cost Bank Borrowings*

Hong Kong, 2<sup>nd</sup> July 2019 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today announced that it has redeemed US\$215 million of unsecured bonds the Company issued in June 2012.

On 28<sup>th</sup> June 2012, First Pacific issued US\$400 million of these bonds as senior guaranteed debt carrying a coupon of 6.00%. The issue was the Company’s first-ever unsecured bond offering and was 11.5 times oversubscribed in a sign of the financial markets’ confidence in the creditworthiness of the First Pacific Group of companies. During the period between issue and redemption, the Company purchased a total of US\$185 million of the bonds on the secondary market and via a bond tender in 2018 to reduce its overall interest bill. The full redemption of the bonds is a key step towards paring down First Pacific’s interest expenses.

“The on-time and in-full redemption of this bond underscores the financial strength of our Company as we near our 40<sup>th</sup> anniversary in 2021,” said First Pacific Managing Director and Chief Executive Manuel V. Pangilinan.

The bond redemption was financed by bank borrowings. Gross debt remains little changed at US\$1,666 million while the average maturity extends to 3.7 years from 2.8 years previously and the blended interest cost drops to 4.2% from 4.8% with the replacement of this 6.00% bond by lower-cost bank borrowings.

First Pacific Associate Director Joseph Ng, who heads the Company’s Treasury operations, said the redemption establishes a crucial milestone in First Pacific’s proactive liability management program established in early 2017 with a series of bond tenders and redemptions.

“We are confident in our cash flow in the years ahead, not least because proceeds of US\$275 million expected from the sale of our 50% stake in Goodman Fielder later in 2019 will finance the redemption of a 10-year US\$252 million issuance maturing in September next year,” said Ng. “This 2020 maturity is our last remaining secured bond and it carries a coupon of 6<sup>3</sup>/<sub>8</sub> percent – making it by far our most expensive borrowing. Furthermore, there are no more bond maturities until 2023, by which time we expect higher dividend income.”

Capital management will remain focused on reducing debt and borrowing costs, followed by potential share repurchases, said Ng.

**Corporate Profile**

First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. The Company's principal businesses are in consumer food products, infrastructure, natural resources and telecommunications. First Pacific is listed in Hong Kong (HKSE: 00142) and its shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, visit [www.firstpacific.com](http://www.firstpacific.com).

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