

DIRECTING THE MEASURES TO EXPEDITE THE FINANCIAL REHABILITATION PROGRAM OF CONSTRUCTION AND DEVELOPMENT CORPORATION OF THE PHILIPPINES (CDCP)

LETTER OF INSTRUCTIONS NO. 1295, February 23, 1983

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/2c91b3219f37/>

TO :

All Concerned

Pursuant to the Government's decision to extend all the necessary assistance in the financial rehabilitation program of CDCP, the following are hereby directed and authorized to do as follows:

- Development Bank of the Philippines (DBP)
- Government Service Insurance System (GSIS)
- Land Bank of the Philippines (LBP)
- National Development Company (NDC)
- Philippine Export and Foreign Loan
- Guarantee Corporation (PEFLGC)
- Philippine National Bank (PNB)

shall convert as of December 31, 1982 all of the direct obligations of CDCP and those of its wholly- owned subsidiaries to such government financial institutions including interests, fees and advances in any currency outstanding as of December 31, 1982 into shares of common stock of December 31, 1982 into shares of common stock of CDCP at par value. For purposes of converting the obligations of CDCP's wholly-owned subsidiaries into shares of stock of CDCP, CDCP shall assume the outstanding obligations of its concerned subsidiaries to the affected financial institutions. The CDCP wholly- owned subsidiaries herein referred to are the following:

- CDCP Farms Corporation
- Dasmarinas Estates Development Corporation
- Dasmarinas Industrial Steel Corporation
- Manila Land Corporation
- Marina Properties Corporation
- Tierra Factors Corporation

For purposes of determining the peso equivalent of the foreign currency-denominated obligations, the conversion rate to be used shall be the Central Bank guiding rates as of January 3, 1983, as follows:

- US Dollar : US\$ 1.00 = P9.1730
- Deutsche mark : DM 1.00 = 3.8618
- Malaysian Ringgits : M\$ 1.00 = 3.9627

- For the Direct obligations of CDCP to the abovenamed government financial institutions maturing in 1983, the institutions concerned shall convert on January 31, 1983 the maturities on such direct obligations into shares of

common stock of CDCP at par value.

This will result in the:

- (a) payment by CDCP on January 31, 1983 of all the maturities for the month of January 31, 1983 on such direct obligations;
- (b) prepayment by CDCP on January 31, 1983 of the principal maturities from February 1, 1983 to December 31, 1983 on such direct obligations;
- (c) payment by CDCP on January 31, 1983 of all related interest charges up to January 31, 1983 on the total outstanding obligations;
- (d) prepayment by CDCP on January 31, 1983 of all related interest charges from February 1, 1983 to December 31, 1983 on the outstanding direct obligations (net of principal maturities prepaid as required in (b) hereof).

After CDCP has made the prepayments/ payments required herein, CDCP shall not be required to make further payments for interest on such direct obligations up to, and inclusive of, December 31, 1983.

- For CDCP obligations maturing in 1983 which are guaranteed by the above-named government financial institutions (herein referred to as government-guaranteed obligations), such government financial institution shall cause CDCP to prepay on January 31, 1983 in shares of its common stock of the following:

- (a) the lease rental payment and principal maturities from February 1, 1983 to December 31, 1983 on such government- guaranteed obligations;
- (b) all related interest charges up to January 31, 1983 on total outstanding government-guaranteed obligations, inclusive of the applicable withholding taxes on the relevant foreign remittances for interest payments; and
- (c) all related interest charges from February 1, 1983 to December 31, 1983 on the outstanding direct loans (net of principal maturities prepaid as required in (a) hereof).

The guarantor institution will then be responsible for paying the creditors of CDCP the 1983 maturities on such government- guaranteed obligations.

After CDCP has made the payments/ prepayments herein, CDCP shall not be required to make further payments for interests on such government-guaranteed obligations to, and inclusive of, December 31, 1983.

- With respect to CDCP obligations wherein one government financial institution guarantees another, the institution (i.e., the primary creditor) which directly extended the credit facility to CDCP shall be the entity that is the subject of Items Nos. 1 and 2 above.

- For purposes of determining the peso equivalent of the portion of the obligations referred to in Item Nos. 2 and 3 above which are foreign currency-denominated, the conversion rate to be used shall be the Central Bank guiding rates as of January 19, 1983, as follows:

US\$ 1.00 = P 9.305

DM 1.00 = 3.8829

M\$ 1.00 = 4.1193

Furthermore, for the 1983 interest maturities for which the reference base rates (i.e., Prime, London Interbank Offered, Singapore Interbank Offered, and the Manila Reference Rates) have not been determined by the concerned creditors as stipulated in their respective credit or loan agreements with CDCP, the reference base rates to be used for calculating the interest payable shall be the published rates as of January 19, 1983, as follows:

% per annum

London Interbank Offered Rate

8-15/16%

Singapore Interbank Offered Rate

9%

U.S. Prime Rate

11%

Manila Reference Rate (180 days) 15-5/16%

- All outstanding collaterals, securities, and guarantees related to the aforesaid direct obligations and government-related obligations, that are converted into shares of stock of CDCP in accordance with Item Nos. 1, 2, and 3 above, shall be released to CDCP by the government financial institutions concerned. In the event that, after conversion of the aforesaid obligations and maturities into CDCP common shares, there would be balances still remaining on the related obligations, the government financial institutions concerned shall release the covering collaterals, and securities in proportion to the reduction in amount of the related obligations.

This Letter of Instruction shall take effect immediately.

DONE in the City of Manila, this 23rd day of February, in the year of Our Lord, Nineteen Hundred and Eighty-Three.

SOURCE: CD ASIA

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.