

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Tuesday, 25 June 2002

**FIRST PACIFIC CLARIFIES RECENT PRESS REPORTS CONCERNING
ALLEGED RIGHTS OF THE COJUANGCO GROUP AND EXECUTIVE
CHAIRMAN'S PRESS RELEASE**

First Pacific notes the recent press reports concerning certain alleged first refusal rights of the Cojuangco Group over shares in Philippine Telecommunications Investment Corporation (PTIC), as these rights may affect First Pacific's proposed transaction with the Manila-based Gokongwei Group, which was announced on 5 June 2002. In particular, the Philippine publication *Today* reported, in an article on 13 June 2002, that First Pacific had not been formally informed of the agreement containing these rights.

First Pacific states, by way of background, that the agreement in question is one of several similar documents that First Pacific's Executive Chairman, along with certain other individuals who were directors and senior Hong Kong executives at the time, was authorised by the First Pacific board of directors to, among other things, negotiate, settle and implement in November 1998, when First Pacific acquired its initial 17.2 per cent interest in Philippine Long Distance Telephone Company (PLDT). First Pacific acquired this interest:

- from shareholders of PTIC, including the Cojuangco Group (comprising Imelda O. Cojuangco, Estate of Ramon O. Cojuangco, Antonio O. Cojuangco, Ramon O. Cojuangco, Jr., Miguel O. Cojuangco, Trinidad O. Cojuangco Yulo and Victoria O. Cojuangco Yulo), and
- through purchases on the Philippine Stock Exchange.

Prior to First Pacific's November 1998 acquisition, the Cojuangco Group held an approximately 40.9 per cent interest in PTIC, a private company that currently holds approximately 15.4 per cent of the common stock of PLDT.

The press reports concern an agreement between two First Pacific affiliates (Metro Pacific Assets Holdings, Inc., a Philippine company, and Larouge BV, a Netherlands company, both of which are First Pacific subsidiaries) and the Cojuangco Group that contains a clause whereby the Cojuangco Group waived their right of first offer or refusal (the Right), as shareholders in PTIC, subject to a proviso that the Right shall apply if the First Pacific affiliates that acquired the Cojuangco Group's PTIC shares in November 1998 ceased to be affiliates of First Pacific and Mr. Pangilinan. The Right also is subject to a further proviso that the Right shall not apply if the First Pacific affiliates are reorganised to become affiliates of, or transfer their PTIC shares to, Mr. Pangilinan and his affiliates.

In reply to the *Today* article, Mr. Pangilinan issued a 13 June 2002 press release, disputing the *Today* claim and stating that all the sale and sale-related agreements, executed in November 1998, were known and disclosed to First Pacific, through its General Counsel.

First Pacific wishes to confirm that its records indicate that First Pacific's outside legal counsel did submit, to First Pacific, signed copies of the sale and sale-related agreements, including those involving the Cojuangco Group, all of which were disclosed publicly after they were executed and payment was made for the PTIC shares. Copies of the same were included in the filing with the United States Securities Exchange Commission, as well as summarised in the text of such filing. First Pacific's records further indicate that the particular clause, containing the Right referred to in the various press reports, was not minuted at any meeting of the board of directors of First Pacific, although Mr. Pangilinan recalls that they were discussed with certain individuals, who were authorised to, among other things, negotiate, settle and implement documentation in November 1998, and who were directors and senior Hong Kong executives of First Pacific, at the time.

The current directors of First Pacific, who were also executive or independent directors in November 1998, are Messrs. Manuel V. Pangilinan, Edward A. Tortorici, Edward K.Y. Chen and David W.C. Tang. Current executive directors, who were members of senior management, at the time, are Messrs. Ronald A. Brown and Michael J.A. Healy.

First Pacific is consulting Philippine legal counsel concerning the status and effect of this provision on its proposed transaction with the Gokongwei Group, and further announcements on this matter will be made as appropriate.

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