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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

Clarification of recent press reports concerning Executive Chairman's press release

The Company 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 the Company's proposed Transaction. In particular, the Philippine publication *Today* reported, in an article on 13th June 2002, that First Pacific had not been formally informed of the agreement containing these rights.

The Company states that the agreement in question is one of several similar documents that its 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, including the Cojuangco Group, of PTIC 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 the First Pacific Affiliates 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 13th 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.

The Company wishes to confirm that First Pacific's records indicate that First Pacific's outside legal counsel did submit to the Company 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 summarized in the text of such filing. The Company'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 the Company, who were also executive or independent directors of the Company, 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 the Transaction. Further announcements will be made on this matter, as and when appropriate.

Definitions

- “Affiliates” Metro Pacific Assets Holdings, Inc., a Philippine company, and Larouge BV, a Netherlands company, both of which are First Pacific subsidiaries;
- “Cojuangco Group” As defined at the time of First Pacific's initial investment in PLDT in November 1998 and 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;
- “Company” or “First Pacific” First Pacific Company Limited;
- “Gokongwei Group” The Gokongwei Group is a Manila-based group whose holding company JG Summit Holdings, Inc. has substantial business interests in real estate and hotels, petrochemicals, branded consumer foods, agro-industrial, commodity food products, airline and telecommunications. The Gokongwei Group is an independent third party not connected with the directors, chief executive or substantial shareholders of First Pacific or any of its subsidiaries or any of their respective associates;
- “Transaction” The Company's proposed transaction to establish joint venture arrangements with the Gokongwei Group in relation to the First Pacific Group's interests in Philippine Long Distance Telephone Company (PLDT) and Bonifacio Land Corporation (BLC), as announced by the Company on 5th June, 2002.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Edward A. Tortorici
Executive Director

Hong Kong, 25th June, 2002

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.