FIRST PACIFIC

FIRST PACIFIC COMPANY LIMITED

Interim Report 2000

First Pacific

First Pacific, a Hong Kong-based conglomerate founded in 1981, owns and operates business interests in Consumer, Telecommunications, Property and Banking, employing a workforce of over 80,000 in 15 countries. Investments are primarily in Indonesia, the Philippines, Thailand and Hong Kong. A constituent of the Hang Seng Index, First Pacific's shares are listed in Hong Kong, and are available in the United States through American Depositary Receipts.

CONSUMER	Indofood	Berli Jucker	Darya-Varia	Metro Pacific
	40% Indonesia	*84% Thailand*	*90% Indonesia*	*81% Philippines*

TELECOMS	PLDT[(i)]	Escotel
	23% Philippines	*49% India*

PROPERTY	Bonifacio Land Corp	Landco Pacific	Pacific Plaza Towers	Savills
	53% Philippines	*48% Philippines*	*81% Philippines*	*20% UK, Continental Europe, Asia*

BANKING	First Pacific Bank	First eBank[(ii)]
	41% Hong Kong	*27% Philippines*

(i) Smart was acquired by PLDT with effect from 24 March 2000.
(ii) Formerly PDCP Bank.

Note: Percentage figures, which were current as at 30 June, reflect the economic interest attributable to the Group which may, in certain companies, differ from the percentage of equity capital held.

Financial Summary*

(US$ millions)	Six months ended 30 June 2000	1999	change %
Contribution from operations	**45.5**	35.6	+27.8
Profit attributable to ordinary shareholders			
- excluding unusual items	**26.0**	20.5	+26.8
- including unusual items	**50.4**	113.1	-55.4
Foreign exchange (charged)/credited to profit and loss	**(63.3)**	4.5	–

(US$ millions)	At 30 June 2000	At 31 December 1999	change %
Total assets	**5,606.8**	6,797.0	-17.5
Net indebtedness	**819.1**	1,183.4	+30.8
Net assets	**1,670.1**	1,942.0	-14.0
Shareholders' equity	**510.0**	591.5	-13.8

Per Share Data*

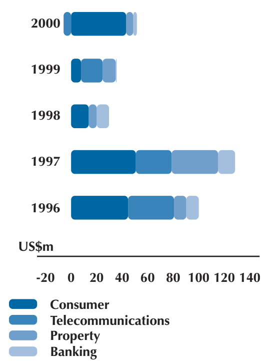
(U.S. cents)	Six months ended 30 June 2000	1999	change %
Basic earnings			
- excluding unusual items	**0.89**	0.85	+4.7
- including unusual items	**1.73**	4.73	-63.4
Interim dividend	**0.13**	0.26	-50.0

Financial Ratios*

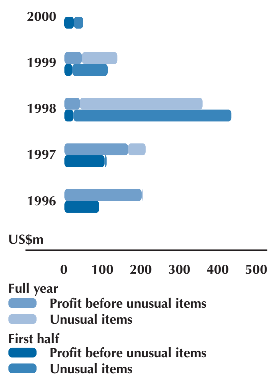
(times)	At 30 June 2000	At 31 December 1999	change %
Gearing ratio			
- Consolidated	**0.49**	0.61	+19.7
- Company	**0.26**	0.28	+7.1

** Please refer to page 128 of the 1999 Annual Report for a glossary of terms.*

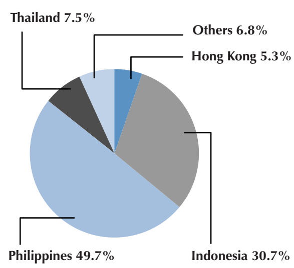
Contribution from operations- by line of business



Profit before and after unusual items



Adjusted net asset value by country - 30 June 2000



Dear Shareholder,

... contributions up 28 per cent, recurring profit up 27 per cent ...
I am pleased to report that contribution from operations increased 28 per cent to US$45.5 million, and recurring profit is up 27 per cent to US$26.0 million. It is encouraging to see growth of this magnitude during these economically difficult times.

... the need to evolve, reinforced by Asian crisis ...
This encouraging result validates the merit of the corporate actions we initiated almost three years ago. At that time, we recognised that certain of our businesses, having reached maturity, were showing signs of stress and were becoming increasingly cash absorbing. Our range of investments was not suited to the longer-term growth of First Pacific, a view that was reinforced by the subsequent onset of the Asian crisis. With the ensuing fundamental and wide-reaching market shifts, we had to respond through change.

... long-term, value investors ...
Central to our response was our belief in Asia and, in particular, our belief in its long-term recovery. To best position the company to benefit from Asia's recovery, we undertook to strengthen the company's balance sheet and cash flows - the life blood of any company operating in any economy. Investments were to be congregated in Asia, where, as a consequence of the crisis, hitherto only dreamed of investment opportunities were emerging. And, in order to concentrate management's attention, we would focus on fewer businesses, with market potential that could be developed and expanded under First Pacific's guidance.

... resolute initiatives underpin future growth ...
We implemented our plan and we are now a very different company. We seized the opportunity to acquire significant interests in PLDT and Indofood, two investments which, prior to the crisis, were out of our reach. Under First Pacific's management, PLDT is now a progressive communications company, enlisting the latest technology to be at the forefront of telecommunications development and utilisation. Indofood, a broad based, branded consumer business, has, in the midst of on-going economic difficulties, generated significant cash flows sufficient to repay some US$325 million of debt. These two companies will spearhead First Pacific's next cycle of growth.

... inherent strength overshadowed by negative sentiment ...
Our belief in Asia's long-term recovery remains and, through implemented and on-going strategic initiatives, shareholders' equity has, since 1997, increased seven-fold to US$510.0 million, and net debt at the Head Office has more than halved to US$386.7 million. Yet, despite this resolute action, which has resulted in an inherently stronger Group, better positioned to take full advantage of Asia's eventual recovery, our share price continues to under perform.

The primary contributor to this is general market sentiment for Southeast Asia, where our principal investments are situated. Many investors in Asia have seen their investments fall. Many investors are uncertain as to how economic and political macro issues will develop. Many have concerns over fluctuating exchange rates. All these factors weigh heavily on our share price and, until Asia's recovery is perceived to be sustainable and widespread, I expect that these will continue to be an adverse influence on our share price performance.

... focus remains on strong fundamentals to sustain-long term growth ...
In these circumstances, we will continue to focus on fundamentals to build long term value for our shareholders. I believe that First Pacific is now positioned to pursue emerging growth opportunities, secure in the knowledge that its underlying operations are better able to support and enhance these initiatives. Moreover, First Pacific's attributes remain unchanged. We continue to sustain momentum in times of change and, through inspired thinking and steely resolve, make things happen. And, as confidence in Asia improves, we will again see significant growth in earnings and value. In the meantime, your management continues to refine and realign First Pacific's investments, and I draw your attention to the newly introduced Half Year Review of 2000's Goals, which details progress to date.

David S. Davies, OBE
In conclusion, I am saddened to report the passing of David S. Davies, OBE, Executive Director. One of First Pacific's longest serving Directors, David founded his own Hong Kong property services company in 1981. This company was subsequently acquired by First Pacific in 1984, and became known as First Pacific Davies. With a reputation for handling some of the most significant Hong Kong property transactions, David worked tirelessly to ensure the further development of First Pacific Davies, such that it now trades internationally under the FPDSavills brand.

The passing of this gentleman, who had an enormous capacity for friendship and generosity, has saddened the entire First Pacific Group. David is greatly missed, and our heartfelt condolences are extended to his family.

Manuel V. Pangilinan
Executive Chairman

Each year, specific goals are set. Here are the objectives for 2000, and the extent to which these have been met as at the half year.

FIRST PACIFIC

- Continue the rehabilitation and further enhancement of recurrent profits and cash flow
- As restructuring activities decline, return full management focus to building and developing value
- Promote the development of common e-market platforms, and seek opportunities for application service provision
- In respect of Metrosel, finalize evaluation review and execute conclusions

Contribution has increased 28 per cent, and recurrent profit is up 27 per cent. Restructuring activities, and the crystallization of value, are on-going with key achievements being the consolidation of the Group's telecommunication interests through PLDT, the restructuring of the Group's Hong Kong property services interests, and the completion of negotiations on the sale of two GSM joint ventures in China. In tandem with the development of pilot projects, Internet initiatives are focusing on the forging of technical, logistical and commercial relationships. The review of Metrosel is nearing completion.

CONSUMER

Indofood

- Exploit opportunities for value creation from existing businesses
- Expand existing businesses, domestically, regionally or internationally, either organically or through acquisition

During the first half, initiatives, such as the competitive introduction of new brands of flour, have secured or enhanced market positions. New market and product developments are on-going, as is the review of possible acquisitions. In July 2000, a Rupiah 1 trillion bond was issued to fund expansion of its Edible Oils & Fats, Flour and Baby Food facilities.

Berli Jucker

- Aggressively seek value creating opportunities to deliver better returns on equity
- Increase focus on branded consumer products

Continues to seek value creating acquisitions or opportunities, and has disposed of certain non-core, non-branded, assets. Significant market share gains have been achieved in the tissue and snacks businesses.

Darya-Varia

- Aggressively compete in the marketplace to achieve organic growth through development of both new products and the over-the-counter business
- Conclude the implementation of management and distribution information systems

Following extensive streamlining of product lines, sales are up 21 per cent. The implementation of new management systems is on-going.

TELECOMMUNICATIONS

PLDT

- Focus on diversifying revenue streams
- Continue to grow EBITDA through efficient cost management
- Grow Internet-based, data oriented and value added services
- Grow GSM service in terms of capacity and subscribers
- Realize synergies through integrating the wireline and wireless operations
- Rapidly progress with the convergence strategy to develop a multimedia platform to provide total communications solutions

Reliance on international revenues has lessened. Local network is now the single largest contributor, with revenues from PLDT's burgeoning cellular business already matching international revenues. Highest growth is in data revenue (up 59 per cent), achieved through the introduction of innovative products and services. This has resulted in a three per cent increase in EBITDA, despite the absorption of significant marketing expenses incurred to grow the cellular business. Operationally, business functions and cell sites have been rationalized, and convergence progresses with the recently announced incorporation of ePLDT as the corporate vehicle of PLDT's Internet, e-commerce and multimedia businesses.

Escotel

- Develop value added services
- Conclude strategic, value enhancing transactions
- Achieve breakeven by year end 2000

Escotel now has more than 200,000 subscribers through the offering of tailored products and services, including an Internet to cellular messaging service, international automatic roaming, unique mobile to mobile rates, and competitive connection fees. The company continues to ensure it is commercially and competitively well positioned.

PROPERTY

Metro Pacific

- Continue to position Metro Pacific as a business focused on property development and services
- Continue to develop revenue sources through interim land use programs
- Maximize potential for Information Technology Zone status, through the offering and facilitation of e-business solutions to locators and property developers
- Continue to enhance value through the vigorous development of the Global City

With Big Delta completed, development is focusing on Expanded Big Delta, residential project Bonifacio Ridge, technology zone 'E-Square', as well as expansion of the existing retail and entertainment facilities. Having agreed to sell its interest in PLDT to First Pacific, more than 90 per cent of Metro Pacific's assets now relate to property.

FPDSavills / Savills

- Maximize alliance opportunities to grow both local and international business following the reorganization of interests within Savills

By combining First Pacific Davies with Savills in April, and facilitating the introduction of Trammell Crow Company in June, First Pacific has afforded FPDSavills a global capability for service provision.

SPORTathlon

- Expand The Spa Health Club and Cliniques network, and regionally grow leisure supply and management services

Objective could best be achieved outside the Group and, as this company did not strategically fit within the Group, SPORTathlon was sold in June 2000, to Fitness First plc.

BANKING

First Pacific Bank

- Continue to diversify loan portfolio by increasing commercial and consumer lending
- Further develop Internet banking

New emphasis on commercial lending, credit cards, consumer loans and asset based finance has led to substantial growth in these lines of business. Additional features, such as the Virtual ATM, have been developed for iFirst Banking.

First eBank

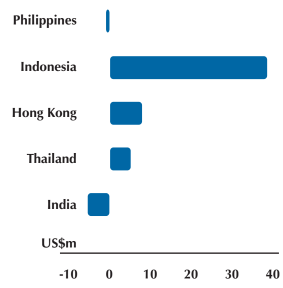
- Continue to maintain stringent control over loan portfolio
- Reposition as an electronic-banking institution

Loan management measures, as well as cost reduction programs, are showing positive returns. Currently at the forefront of phone banking, Internet banking facilities are on track for completion by year-end.

The segmental analysis below includes analyses by individual company classified within the Group's four main businesses.

(US$ millions)	Turnover 2000	Turnover 1999	Profit after taxation 2000	Profit after taxation 1999	Contribution to Group profit[1] 2000	Contribution to Group profit[1] 1999
	Six months ended 30 June					
CONSUMER						
Indofood	**–**	–	**34.6**	–	**34.6**	–
Berli Jucker	**145.6**	147.4	**5.2**	9.4	**5.2**	7.9
Darya-Varia	**26.5**	21.1	**4.6**	2.1	**4.2**	2.1
Metro Pacific[2]	**53.1**	71.0	**(2.3)**	(4.2)	**(1.0)**	(2.2)
Subtotal	**225.2**	239.5	**42.1**	7.3	**43.0**	7.8
TELECOMMUNICATIONS						
PLDT	**–**	–	**14.4**	12.8	**8.7**	8.1
Smart	**80.5**	132.1	**(19.9)**	15.4	**(9.0)**	10.3
Escotel	**–**	–	**(5.5)**	(6.7)	**(5.5)**	(6.7)
Shenzhen Merchant Link and Fujian Telecom[3]	**–**	–	**–**	5.0	**–**	5.0
Subtotal	**80.5**	132.1	**(11.0)**	26.5	**(5.8)**	16.7
PROPERTY						
Metro Pacific[2]	**110.6**	105.1	**23.1**	25.0	**2.5**	6.3
FPDSavills / Savills	**37.2**	89.9	**3.7**	5.0	**3.4**	4.4
SPORTathlon	**5.1**	4.3	**(0.4)**	(0.5)	**(0.4)**	(0.3)
Subtotal	**152.9**	199.3	**26.4**	29.5	**5.5**	10.4
BANKING						
First Pacific Bank[4]	**53.4**	42.0	**12.0**	4.1	**5.0**	1.7
Metro Pacific[2]	**–**	–	**(2.7)**	(1.2)	**(2.2)**	(1.0)
Subtotal	**53.4**	42.0	**9.3**	2.9	**2.8**	0.7
CONTRIBUTION FROM OPERATIONS	**512.0**	612.9	**66.8**	66.2	**45.5**	35.6
Corporate overhead			**(7.8)**	(8.4)	**(7.8)**	(8.4)
Net finance income/(charges)						
- bank deposits less loans			**0.4**	5.9	**0.4**	5.9
- guaranteed convertible bonds[5]			**(12.1)**	(12.6)	**(12.1)**	(12.6)
Profit after taxation before unusual items			**47.3**	51.1	**26.0**	20.5
Unusual items			**7.6**	92.2	**24.4**	92.6
PROFIT AFTER TAXATION			**54.9**	143.3		
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS					**50.4**	113.1

Contribution - 30 June 2000



(1) Contribution to Group profit represents profit after taxation, after outside interests and before unusual items.

(2) For presentation purposes, the results of Metro Pacific's Telecommunications, Property and Banking interests are included within Telecommunications (PLDT/Smart), Property (Bonifacio Land Corporation, Landco Pacific and Pacific Plaza Towers) and Banking (First eBank), respectively.

(3) Prior to disposal in March 2000, the Group's holdings were held as short-term investments.

(4) Turnover represents net interest income, fees, commissions and other revenues.

(5) Includes US$2.7 million (1999: US$2.7 million) of interest expense and US$9.4 million (1999: US$9.9 million) of redemption premium.

IMPACT OF REGIONAL CURRENCIES

The depreciation of regional currencies against the U.S. dollar significantly affects the Group's results. The following table details the movements of key regional currencies.

	At 30 June 2000	At 31 December 1999	6 months change	At 30 June 1999	1 year change
Closing					
Peso	43.20	40.25	-6.8%	38.07	-11.9%
Baht	39.19	37.35	-4.7%	36.83	-6.0%
Rupiah	8,740	6,975	-20.2%	6,640	-24.0%
Rupee	44.67	43.51	-2.6%	43.36	-2.9%
HK$	7.79	7.77	-0.3%	7.76	-0.4%
Average					
Peso	41.59	39.26	-5.6%	38.44	-7.6%
Baht	38.30	37.87	-1.1%	37.16	-3.0%
Rupiah	7,950	7,780	-2.1%	8,220	3.4%
Rupee	43.96	43.10	-2.0%	42.76	-2.7%
HK$	7.79	7.76	-0.4%	7.75	-0.5%

As a result of the significant depreciation of regional currencies during the six months ended 30 June 2000, the Group recognized unrealized foreign exchange losses totaling US$63.3 million, primarily on the translation of operating companies' unhedged U.S. dollar debt.

The Group manages exposure to exchange movements to the extent to which it is possible or practicable.

- Indofood repaid US$253.0 million of U.S. dollar-denominated debt in July, thereby significantly reducing its unhedged exposure to any further depreciation of the rupiah.
- Metro Pacific plans to further reduce its U.S. dollar debt through its on-going disposal of non-core assets. Recently, it was agreed that First Pacific would acquire its 8 per cent interest in PLDT.
- Darya-Varia will continue to repay U.S. dollar debt through internally generated cash and local currency loans.
- Berli Jucker repaid US$47.1 million of debt during the first half of 2000, and remaining debt is denominated in baht.
- PLDT's revenues are linked to the U.S. dollar, which partially compensates for the effects of the pesos depreciation on unhedged U.S. dollar debt.

OVERVIEW OF FIRST PACIFIC AND PRINCIPAL OPERATING COMPANIES

Refer to page 2 for an overview of First Pacific, and to page 32 which gives further details on the Group's principal operating companies.

CONSUMER

Indofood, a listed leading processed-foods group with operations throughout Indonesia, contributed a profit of US$34.6 million. A 40.0 per cent interest in Indofood was acquired in September 1999.

Indofood recorded Rupiah 5.9 trillion (US$739.4 million) of sales, up five per cent over the comparable period, with its three main businesses - Instant Noodles, Flour, and Edible Oils and Fats - contributing 82 per cent of sales. Most operational divisions recorded increased sales volumes (most notably Snack Foods up 38 per cent, Baby Foods up 34 per cent, Flour up 20 per cent, and Instant Noodles up 10 per cent), revenues, and margins.

The Instant Noodles division reported Rupiah 2.1 trillion (US$269.8 million) of sales, having sold 4.4 billion packs during the first half, accounting for over 90 per cent of the instant noodle market. There were no price changes during the period, however, with effect from 2000, there has been a change in the treatment of certain promotion expenses which has had the effect of reducing the average selling price to Rupiah 483 (6 U.S. cents) per pack from Rupiah 543 (7 U.S. cents) per pack. As a consequence of a decline in raw material costs, due to the relative strengthening of the rupiah (Average US$1 exchange rate - 1H00: 7,950; 1H99: 8,220) over the first six months, the gross margin improved to 33.3 per cent (1H99 adjusted: 31.7 per cent). However, despite lower raw material costs, the operating margin declined to 21.9 per cent (1H99 adjusted: 22.1 per cent) as the new treatment of certain promotion costs more than offset the favorable variance on input costs.

The Flour division reported Rupiah 1.5 trillion (US$190.1 million) of sales, with the successful launching of new brands fuelling growth and accounting for more than 30 per cent of total sales volume. Market share improved to 68 per cent and, although cheaper, imported flour is gaining market share, this has been at the expense of the smaller operators. The gross margin improved to 29.8 per cent (1H99: 25.1 per cent), and the operating margin improved to 23.6 per cent (1H99: 20.4 per cent), as a consequence of a decline in raw material costs due to the relative strengthening of the rupiah (Average US$1 exchange rate - 1H00: 7,950; 1H99: 8,220). Increased promotional costs, to build market share following the deregulation of the industry, had the effect of partially offsetting this benefit within the operating margin.

The Edible Oils and Fats division - which consists of two sub-divisions: Branded Products and Commodity Products - reported Rupiah 1.2 trillion (US$146.5 million) of sales, down 15 per cent against 1H99. This decline stemmed from Branded Products, which, despite experiencing a seven per cent increase in sales volumes, recorded reduced revenues and margins. Although crude palm oil prices declined over the period, this was more than offset by a decline in the average selling prices of its branded cooking oil, as well as Industrial and Margarine & Fats products. Commodity Products reported marginally increased volumes, however, sales revenues were lower as average prices declined and a relatively stronger rupiah (Average US$1 exchange rate - 1H00: 7,950; 1H99: 8,220) contributed to lower export income in rupiah terms. However, the gross margin improved to 17.8 per cent (1H99: 15.9 per cent) as copra (dried coconut flesh) became more plentiful and its cost declined, and reduced selling and operating costs resulted in the operating margin improving to 14.5 per cent (1H99: 6.7 per cent).

Indofood's EBIT grew by 12 per cent to Rupiah 1.2 trillion (US$156.0 million). Due to the 20.2 per cent depreciation of the rupiah to 8,740, from 6,975 at the start of the year, a foreign exchange loss of Rupiah 617 billion (US$77.6 million) was recorded in the first half, compared to a foreign exchange gain of Rupiah 396 billion (US$48.2 million) recorded in the comparative period. Both interest income and interest expense declined due to the repayment of debt (US$32.6 million) and lower interest rates. Since June 2000, Indofood has further repaid debt of Rupiah 626.0 billion (US$71.6 million) and US$253.0 million, and issued a Rupiah 1 trillion AA+ rated bond.

Berli Jucker, a manufacturer, distributor and marketer of glass, consumer, technical and imaging products in Thailand, contributed a profit of US$5.2 million (1H99: US$7.9 million).

Sales revenues were up two per cent to Baht 5.6 billion (US$145.6 million), despite the scheduled refurbishment of glass furnaces. Gross margin declined to 22.5 per cent (1H99: 27.8 per cent) as a consequence of increased fuel oil and pulp prices, as well as an increase in the cost of imported raw materials due to the weakening of the baht (Average US$1 exchange rate - 1H00: 38.30; 1H99: 37.16).

The operating margin declined to 5.9 per cent (1H99: 9.2 per cent) due to increased marketing costs for the 'Party' brand of snack products, as well as competitive pressure in the technical and imaging markets.

Net interest expense declined over the period as foreign currency borrowings, amounting to Baht 1.9 billion (US$47.1 million) were repaid.

Darya-Varia, a leading fully-integrated Indonesian healthcare company, contributed a profit of US$4.2 million (1H99: US$2.1 million).

Sales revenues were up 21.5 per cent to Rupiah 211.0 billion (US$26.5 million), as a direct consequence of volume growth. Gross margin declined slightly to 46.1 per cent (1H99: 46.5 per cent) as a consequence of relatively stronger sales of lower margin, over-the-counter, products. However, this has been partially offset by improved manufacturing and distribution efficiencies. Despite a decline in operating margin to 14.6% (1H99: 17.3%), as a consequence of increased trade discounting and advertising expenditure in support of sales volume growth, operating profit grew 2.0 per cent to Rupiah 30.7 billion (US$3.9 million).

Net interest costs were down 39.5 per cent to Rupiah 7.3 billion (US$0.9 million) as positive operating cash flows enabled the company to reduce its U.S. dollar denominated borrowings to US$9.9 million (1H99: US$14.1 million), and to repay Rupiah 5.0 billion (US$0.6 million) of rupiah debt. However, the weakening of the rupiah led to unrealised foreign exchange losses of Rupiah 21.3 billion (US$2.7 million) being recorded, compared to Rupiah 18.6 billion (US$2.3 million) of foreign exchange gains in 1H99.

As a result of continued efforts to improve working capital management, inventory days were down to 110 days (1H99: 131 days) and receivables were down to 45 days (1H99: 47 days).

Metro Pacific Consumer, which includes a 72.6 per cent interest in Steniel Packaging, a 55.4 per cent interest in Negros Navigation and a 100 per cent interest in Metrovet, contributed a loss of US$1.0 million (1H99: Loss of US$2.2 million). The decline in losses was principally attributable to the disposals, in mid-1999, of loss making entities Metro Bottled Water and Metrolab.

Steniel Packaging recorded a nine per cent growth in revenues to Pesos 830.7 million (US$20.0 million) reflecting increases in both sales volumes and average selling prices. As a consequence of increased paper costs, net income declined to Pesos 7.0 million (US$0.2 million) from Pesos 18.8 million (US$0.5 million) recorded in 1H99.

Negros Navigation recorded slightly improved revenues of Pesos 1.2 billion (US$28.9 million) reflecting increases in both freight and passenger revenues. Continued efforts to reduce costs contributed to a reduced loss of Pesos 113.0 million (US$2.7 million) being recorded, against a loss of Pesos 262.9 million (US$ 6.8 million) in 1H99.

Metrovet recorded a 64.9 per cent increase in revenues to Pesos 149.8 million (US$3.6 million), however, because of increased operating costs, operating profit declined 21.0 per cent to Pesos 6.1 million (US$0.1 million). Metro Pacific disposed of Metrovet on 31 July 2000.

TELECOMMUNICATIONS

PLDT, the principal supplier of national and international telecommunications services in the Philippines, contributed US$8.7 million of profit (1H99: US$8.1 million). PLDT acquired 100 per cent of Smart on 24 March 2000. Accordingly, this contribution includes Smart's 2Q00 results.

PLDT recorded Pesos 29.5 billion (US$708.8 million) of revenues, up 9.4 per cent over last year, as increased cellular, local network, national long distance and data revenues more than offset the 16.8 per cent decline in international revenues. Cellular revenues have grown significantly with the acquisition of Smart, and now account for 22.6 per cent of PLDT's total revenues. With over 2.4 million cellular subscribers as at end June 2000, PLDT's cellular subscriber base is now 23.1 per cent larger than its fixed line base of just under 2.0 million. Cellular growth, which is averaging more than 155,000 net subscribers per month, is largely driven by the popularity of the GSM and prepaid services offered by both Smart and Piltel. National long distance recorded a 24.3 per cent growth in minutes, and data revenues grew 59.5 per cent with the launching of new products and services. Although international revenues have declined, this was partially offset by inbound traffic more than doubling, and outbound traffic returning to positive growth following contraction during 1999. PLDT's early adoption of benchmark settlement rates, as well as the pursuit of illegal operators, has stimulated this increase in international traffic.

Although PLDT has continued to control operating expenditure, operating profits declined 24.1 per cent to Pesos 5.2 billion (US$126.2 million). This was due to the aggressive marketing of the GSM services of both Smart and Piltel, which has secured the PLDT Group approximately 55 per cent of the cellular market and positioned Smart as the fastest growing network.

Net financing charges increased 18.7 per cent as a consequence of U.S. dollar denominated debt and the weakening peso. Despite increased marketing costs, EBITDA has grown approximately three per cent to Pesos 15.7 billion (US$376.4 million). Although Smart continues its GSM network buildout, which in August stood at 1,050 GSM base stations and 10 GSM switches, capex has declined 12.3 per cent to Pesos 9.6 billion (US$231.3 million).

Operationally, PLDT pursues the growth and diversification of revenue streams through the continuous offering of innovative and competitive services and, in the next stage of PLDT's on-going convergence strategy, ePLDT has been launched as the corporate vehicle for PLDT's Internet, e-commerce and multimedia businesses. ePLDT will own and operate PLDT's Pesos 1.6 billion (US$38.5 million) Internet Data Center which is currently being fitted out, as well as a range of other related businesses and investments, including PLDT's interest in the recently announced Philippine e-procurement joint venture, BayanTrade.com. Efforts continue to be made to integrate operations to leverage cost synergies, and Piltel's debt restructuring has made progress as bank creditors have agreed terms, and negotiations continue with its remaining creditors.

Smart, the leading cellular services provider in the Philippines, contributed a loss of US$9.0 million (1H99: US$10.3 million profit). This contribution reflects the Group's 50.3 per cent attributable economic interest in Smart during 1Q00, prior to PLDT's acquisition of Smart at the end of 1Q00. Despite growing revenues, Smart recorded a loss as a consequence of significant marketing costs associated with the aggressive roll out of its GSM services.

Escotel, a New Delhi-based GSM cellular telephone services provider in Uttar Pradesh (West), Haryana and Kerala, contributed a loss of US$5.5 million (1H99: Loss of US$6.7 million).

Subscribers more than doubled over the past year to 173,000 (1H99: 73,000) and, with average adds of 20,000 subscribers per month, subscribers had reached 200,000 by August 2000. Consequently, there was a 70.5 per cent increase in revenues to Rupees 682.5 million (US$15.5 million). In tandem with subscriber growth, increased connection costs were incurred, with net finance charges increasing in line with debt funding of the network buildout.

PROPERTY

Metro Pacific Property, which includes a 66.2 per cent interest in Bonifacio Land Corporation (which owns 55.0 per cent of Fort Bonifacio Development Corporation (FBDC)), a 60.0 per cent interest in Landco Pacific, and the Pacific Plaza Towers project, contributed US$2.5 million, down 60.3 per cent against 1H99.

Bonifacio Land Corporation, which consolidates the results of FBDC, reported broadly flat revenues of Pesos 3.0 billion (US$72.1 million), despite a higher percentage of completion in 1H00 of 14 per cent (1H99: 9 per cent). This is because 1H99 benefited from one-off earnings arising on the sale of returned lots of Pesos 408.0 million (US$10.6 million). Net income declined 21.0 per cent to Pesos 1.0 billion (US$24.0 million) reflecting that, in addition to income arising on the sale of returned lots, 1H99 also benefited from the release of Pesos 325.0 million (US$8.5 million) of lot sales return provisions. With Big Delta completed in April 2000, development is now focusing on Expanded Big Delta, residential project Bonifacio Ridge, technology zone 'E-Square', as well as expansion of the existing retail and entertainment facilities.

Landco Pacific, which designs and builds world class resorts and high end residential developments, recorded a 27.3 per cent decrease in revenues to Pesos 265.8 million (US$6.4 million). Despite this decline, the net loss of Pesos 19.0 million (US$0.5 million) was 14.7 per cent lower than the loss reported in 1H99 because of implemented cost controls. Landco continues the development of its Punta Fuego and Canyon Woods projects, among others, and is in the process of developing a master plan for the Costa de Madera beach resort in San Juan.

Pacific Plaza Towers, the two-tower 53-story landmark residential complex in Fort Bonifacio, more than doubled its revenues to Pesos 1.4 billion (US$33.7 million) reflecting a higher completion percentage of 13 per cent (1H99: 11 per cent) and an increase in the cumulative number of units sold. A total of 212 units, of the project's 393 units, were sold by 30 June 2000 (1H99: 163 units). Operating profit, at Pesos 275.4 million (US$6.6 million) reflects an increase of 61.0 per cent against 1H99. It is expected that construction will be completed within the next six months.

FPDSavills / Savills, contributed US$3.4 million (1H99: US$4.4 million). The first half 2000 contribution is inclusive of the first quarter earnings from First Pacific Davies, which trades under the brand name of FPDSavills, and six months of earnings from Savills plc.

First Pacific's interest in First Pacific Davies was combined with Savills on 7 April 2000 for cash and an increased interest in Savills. Prior to this transaction, First Pacific Davies recorded lower earnings as the Hong Kong property market contracted.

Due to Hong Kong accounting requirements, only published results of associates may be equity accounted. As such, the Group's share of Savills' results, for the six months to 30 April, 2000, has been included within contribution. In this period, Savills recorded a 26.0 per cent increase in profit to £8.2 million (US$12.8 million), reflecting strong performances in its main operating segments of FPDSavills (Residential & Agricultural), FPDSavills Commercial and Property Trading.

SPORTathlon, an integrated leisure services provider, contributed a loss of US$0.4 million (1H99: Loss of US$0.3 million). SPORTathlon was disposed of on 29 June, 2000.

BANKING

First Pacific Bank, a 24-branch network owned by FPB Bank Holding, offering retail, consumer and commercial banking services in Hong Kong, contributed US$5.0 million (1H99: US$1.7 million).

Net interest income grew 32.4 per cent to HK$355.0 million (US$45.6 million) due to the efficient management of the group's balance sheet, and the net interest margin improved to 3.3 per cent (1H99: 2.4 per cent). Other operating income, representing banking fees, recorded healthy growth increasing 5.9 per cent to HK$61.3 million (US$7.9 million). As a consequence of building the customer base, operating expenditure increased 9.0 per cent to HK$207.7 million (US$26.7 million), however, due to prudent credit policies, as well as having made adequate provisions previously, bad debt charges declined 7.5 per cent to HK$94.1 million (US$12.1 million).

First eBank, formerly PDCP Bank, is a 33.0 per cent associate of Metro Pacific. It contributed a loss of US$2.2 million (1H99: Loss of US$1.0 million), however 1H99 only included 1Q99 results as these were the only published results available at that time.

Condensed Consolidated Profit and Loss Statement

(Audited) Year ended 31 December 1999	(US$ millions)	Note	(Unaudited) Six months ended 30 June 2000	1999
1,231.5	**TURNOVER**		**512.0**	612.9
(690.6)	Cost of sales		**(325.1)**	(331.4)
540.9	**GROSS PROFIT**		**186.9**	281.5
235.1	Other operating income		**138.5**	187.2
(32.4)	Distribution costs		**(13.3)**	(16.7)
(214.6)	Administrative expenses		**(85.1)**	(103.5)
(277.0)	Other operating expenses		**(101.7)**	(158.3)
252.0	**OPERATING PROFIT**	2	**125.3**	190.2
67.5	Share of profits less losses of associated companies		**(20.0)**	18.7
(83.0)	Net borrowing costs	3	**(35.9)**	(37.3)
236.5	**PROFIT BEFORE TAXATION**		**69.4**	171.6
(48.9)	Taxation	4	**(14.5)**	(28.3)
187.6	**PROFIT AFTER TAXATION**		**54.9**	143.3
(49.4)	Outside interests		**(4.5)**	(30.2)
138.2	**PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**	5	**50.4**	113.1
(15.0)	Ordinary share dividends proposed	6	**(3.7)**	(7.5)
123.2	**RETAINED PROFIT FOR THE PERIOD**		**46.7**	105.6
	EARNINGS PER SHARE (U.S. cents)	7		
5.34	Basic		**1.73**	4.73
5.32	Diluted		**1.72**	4.67
1.76	Basic excluding unusual items		**0.89**	0.85
1.76	Diluted excluding unusual items		**0.89**	0.85

Condensed Consolidated Statement of Recognized Gains and Losses

(Audited) Year ended 31 December 1999	(US$ millions)	Note	(Unaudited) Six months ended 30 June 2000	1999
(0.9)	Exchange differences on the translation of the financial statements of foreign entities	9	**(70.8)**	26.4
–	Movement in property revaluation reserve	9	**0.3**	–
(0.9)	**NET (LOSSES)/GAINS NOT RECOGNIZED IN THE PROFIT AND LOSS STATEMENT**		**(70.5)**	26.4
138.2	Profit attributable to ordinary shareholders		**50.4**	113.1
137.3	**TOTAL RECOGNIZED (LOSSES)/GAINS FOR THE PERIOD**		**(20.1)**	139.5
(851.0)	Goodwill arising on acquisitions during the period	10	**(189.9)**	(43.0)
(713.7)			**(210.0)**	96.5

Condensed Consolidated Balance Sheet

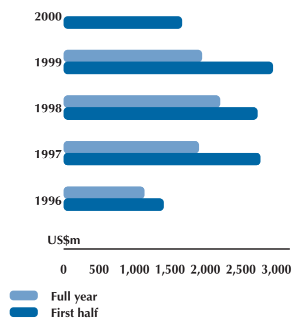
(Audited) At 31 December 1999	(US$ millions)	Note	(Unaudited) At 30 June 2000	(Unaudited) At 30 June 1999
	ASSETS			
	NON-CURRENT ASSETS			
2,605.9	Property and equipment	8	**1,775.6**	3,097.3
133.6	Associated companies		**332.4**	371.8
17.6	Long-term investments		**5.7**	21.9
147.7	Long-term receivables		**127.5**	292.5
2,904.8			**2,241.2**	3,783.5
2,873.2	**ASSETS, OTHER THAN PROPERTY AND EQUIPMENT, ATTRIBUTABLE TO BANKING OPERATIONS**		**2,709.6**	2,866.3
	CURRENT ASSETS			
280.4	Cash and bank balances		**137.5**	394.4
75.0	Short-term investments		**–**	–
576.9	Accounts receivable and prepayments		**450.9**	622.8
86.7	Inventories		**67.6**	88.0
1,019.0			**656.0**	1,105.2
6,797.0	**TOTAL ASSETS**		**5,606.8**	7,755.0
	EQUITY AND LIABILITIES			
	EQUITY CAPITAL AND RESERVES			
29.1	Share capital		**29.1**	26.5
849.8	Share premium		**849.8**	658.7
1,456.7	Revenue and other reserves	9	**1,451.2**	1,463.5
2,335.6	Shareholders' equity before goodwill reserve		**2,330.1**	2,148.7
(1,744.1)	Goodwill reserve	10	**(1,820.1)**	(937.0)
591.5	Shareholders' equity		**510.0**	1,211.7
1,350.5	Outside interests		**1,160.1**	1,730.0
	NON-CURRENT LIABILITIES			
832.1	Loan capital and long-term borrowings	11(b)	**536.3**	836.3
360.8	Deferred liabilities and provisions		**295.5**	622.2
12.6	Deferred taxation		**6.3**	12.8
1,205.5			**838.1**	1,471.3
2,624.7	**LIABILITIES ATTRIBUTABLE TO BANKING OPERATIONS**		**2,449.7**	2,624.0
	CURRENT LIABILITIES			
373.9	Accounts payable and accruals		**210.2**	352.1
631.7	Short-term borrowings	11(b)	**420.3**	348.7
11.7	Provision for taxation		**14.7**	9.7
7.5	Dividends		**3.7**	7.5
1,024.8			**648.9**	718.0
4,855.0	**TOTAL LIABILITIES**		**3,936.7**	4,813.3
6,797.0	**TOTAL EQUITY AND LIABILITIES**		**5,606.8**	7,755.0

Manuel V. Pangilinan
EXECUTIVE CHAIRMAN

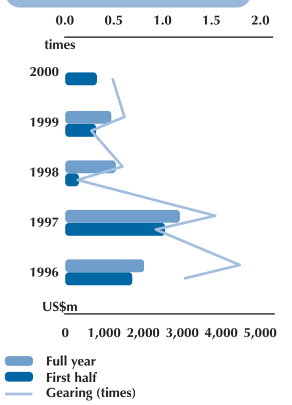
Michael J. A. Healy
CHIEF OPERATING OFFICER AND FINANCE DIRECTOR

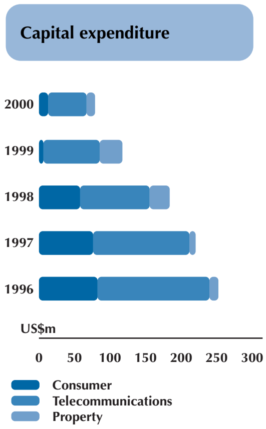
4 September 2000

Net assets



Net indebtedness





Condensed Consolidated Cash Flow Statement

(Audited) Year ended 31 December 1999	(US$ millions)	Note	(Unaudited) Six months ended 30 June 2000	1999
252.0	**OPERATING PROFIT**		**125.3**	190.2
(98.5)	Unusual items		**(78.8)**	(95.3)
(0.4)	Dividend income		**(0.1)**	(0.1)
117.7	Depreciation		**45.3**	51.8
1.0	(Gain)/loss on sale of property and equipment		**(0.3)**	(0.2)
(6.1)	Increase in working capital		**(42.5)**	(51.3)
(63.8)	Others		**0.6**	(35.8)
(9.2)	Less operating profit attributable to Banking operations		**(14.3)**	(4.3)
192.7	**NET CASH INFLOW FROM OPERATING ACTIVITIES**		**35.2**	55.0
(88.1)	Net interest paid		**(34.6)**	(46.0)
(6.7)	Net dividends paid		**(2.1)**	(6.1)
(94.8)	**NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**		**(36.7)**	(52.1)
(10.1)	**TAX PAID**		**(11.1)**	(7.0)
87.8	**NET CASH (OUTFLOW)/INFLOW BEFORE INVESTING ACTIVITIES**		**(12.6)**	(4.1)
(219.3)	Purchase of property and equipment		**(78.5)**	(117.4)
(501.5)	Purchase of new businesses and investments		**(1.3)**	(40.8)
408.6	Sale of businesses, property and equipment and others		**33.3**	326.0
(4.8)	Loans to associated companies		**(1.8)**	(5.9)
(317.0)	**NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES**		**(48.3)**	161.9
(229.2)	**NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING ACTIVITIES**		**(60.9)**	157.8
(77.4)	Net borrowings repaid	11(a)	**(91.0)**	(372.2)
199.9	Shares issued through placement		**–**	199.9
2.5	Shares issued through the exercise of share options		**–**	2.6
150.4	Shares issued to outside interests by subsidiary companies		**–**	147.2
275.4	**NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES**		**(91.0)**	(22.5)
46.2	**(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS**		**(151.9)**	135.3
224.4	Cash and cash equivalents at 1 January		**267.5**	224.4
(3.1)	Exchange translation		**(8.3)**	2.9
267.5	**CASH AND CASH EQUIVALENTS**		**107.3**	362.6
	REPRESENTING			
280.4	Cash and bank balances	11(c)	**137.5**	394.4
(2.8)	Overdrafts	11(b)	**(2.4)**	(14.7)
(10.1)	Other short-term borrowings with an original maturity of less than 90 days	11(b)	**(27.8)**	(17.1)
267.5	**CASH AND CASH EQUIVALENTS**		**107.3**	362.6

Changes in working capital are stated after excluding movements due to acquisitions and disposals of subsidiary companies.

1. BASIS OF PREPARATION

The Condensed Interim Financial Statements have been prepared on the basis of the accounting policies set out in the 1999 Annual Report and in accordance with Hong Kong Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting". The Condensed Interim Financial Statements are unaudited but have been reviewed by the auditors and their report is set out on page 25. The figures for the year ended 31 December 1999 are extracts from the published audited 1999 Financial Statements upon which the auditors have issued an unqualified report.

2. OPERATING PROFIT

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June **2000**	1999
	OPERATING PROFIT IS STATED AFTER CREDITING/(CHARGING)		
1.9	Gross and net rental income from investment properties	**1.3**	1.0
0.4	Dividends from unlisted investments	**0.1**	0.1
(1.0)	Gain/(loss) on sale of property and equipment	**0.3**	0.2
(190.3)	Employee remuneration	**(60.7)**	(78.8)
(117.7)	Depreciation	**(45.3)**	(51.8)
(52.8)	Doubtful debt provisions	**(14.3)**	(24.9)
(3.6)	Net exchange gain/(loss) on monetary items	**–**	7.4

The following items, which are unusual in terms of size, nature or incidence, have also been credited/(charged) to the operating profit and are included within other operating income or expenses as appropriate.

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June **2000**	1999
148.1	Gain on disposal and dilution of shareholdings	**91.4**	148.2
(49.6)	Reorganization, rationalization costs and provision for investments	**–**	(52.9)
–	Exchange losses arising from depreciation of Asian currencies*	**(12.6)**	–

* *Exchange losses included within operating profit do not reflect losses incurred by associated companies. Additional disclosures are set out in Note 5 in respect of the total impact of exchange losses on the Group.*

3. NET BORROWING COSTS

Net borrowing costs, which includes interest income, relate only to the Group's non-Banking operations. Net interest income arising from the Group's Banking activities is included within turnover.

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June 2000	Six months ended 30 June 1999
	Loan capital		
12.6	- wholly repayable within five years	**6.1**	4.8
0.2	- not wholly repayable within five years	**0.5**	1.2
12.8	Subtotal	**6.6**	6.0
	Bank loans, overdrafts and other loans		
71.7	- wholly repayable within five years	**35.7**	38.4
23.0	- not wholly repayable within five years	**1.4**	11.0
94.7	Subtotal	**37.1**	49.4
107.5	**TOTAL INTEREST EXPENSE**	**43.7**	55.4
	Other borrowing costs		
2.0	- Exchange differences	**13.3**	(5.3)
23.2	- Redemption premium on convertible instruments	**12.9**	12.2
132.7	**TOTAL BORROWING COSTS**	**69.9**	62.3
	Less borrowing costs capitalized in		
(18.1)	- property investments	**(18.1)**	(9.8)
(6.9)	- plant and equipment	**(5.2)**	(2.3)
(24.7)	Less interest income	**(10.7)**	(12.9)
83.0	**NET BORROWING COSTS**	**35.9**	37.3

4. TAXATION

Hong Kong profits tax has been provided at the rate of 16.0 per cent (1999: 16.0 per cent) on the estimated assessable profits for the period. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary and associated companies operate.

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June 2000	Six months ended 30 June 1999
	SUBSIDIARY COMPANIES		
	Current taxation		
1.0	- Hong Kong profits tax	**2.6**	0.4
11.8	- Overseas taxation	**7.0**	9.1
	Deferred taxation		
0.1	- Hong Kong profits tax	**–**	–
2.2	- Overseas taxation	**(0.2)**	8.0
15.1	Subtotal	**9.4**	17.5
	ASSOCIATED COMPANIES		
	Current taxation		
0.3	- Hong Kong profits tax	**–**	0.2
15.2	- Overseas taxation	**14.0**	10.1
	Deferred taxation		
18.3	- Overseas taxation	**(8.9)**	0.5
33.8	Subtotal	**5.1**	10.8
48.9	**TOTAL**	**14.5**	28.3

Included above is a tax credit of US$24.9 million (1999: Nil) in respect of unusual items and taxation for Banking operations of US$2.3 million (1999: Nil).

5. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

The following items, which are unusual in terms of size, nature or incidence, have been credited/(charged) to the profit attributable to ordinary shareholders.

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June **2000**	1999
134.6	Gain on the disposal and dilution of shareholdings	**87.7**	137.7
	Reorganization, rationalization costs and provision for investments		
(38.9)	- subsidiary companies	**–**	(42.0)
(3.1)	- associated companies	**–**	(3.1)
	Exchange losses arising from depreciation of Asian currencies		
–	- subsidiary companies	**(8.2)**	–
–	- associated companies	**(55.1)**	–
92.6	**TOTAL**	**24.4**	92.6

6. ORDINARY SHARE DIVIDENDS

The Directors have declared an interim dividend of U.S. 0.13 cent (1999: U.S. 0.26 cent) per ordinary share totalling US$3.7 million (1999: US$7.5 million).

7. EARNINGS PER SHARE

Year ended 31 December 1999 Basic	1999 Diluted		Six months ended 30 June **2000** **Basic**	**2000** **Diluted**	1999 Basic	1999 Diluted
		Earnings per share are based on				
138.2	138.4	- profit attributable to ordinary shareholders of (US$m)	**50.4**	**50.9**	113.1	111.9
2,586.9	2,603.3	- and an average number of shares of (millions)	**2,911.0**	**2,957.2**	2,389.3	2,395.4
5.34	5.32	Resulting in earnings per share of (U.S. cents)	**1.73**	**1.72**	4.73	4.67
(3.58)	(3.56)	Less profit attributable to unusual items of (U.S. cents)	**(0.84)**	**(0.83)**	(3.88)	(3.82)
1.76	1.76	Earnings per share excluding unusual items of (U.S. cents)	**0.89**	**0.89**	0.85	0.85

Diluted earnings per share has been calculated after taking into account all dilutive instruments, including the convertible note and options under employee schemes of the Company, its subsidiary and associated companies.

8. PROPERTY AND EQUIPMENT

The movements in property and equipment are set out below.

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June 2000	Six months ended 30 June 1999
3,064.6	Opening net book amount	**2,605.9**	3,064.6
(84.0)	Exchange translation	**(128.5)**	67.8
304.2	Additions	**117.8**	60.0
0.9	Acquisition of subsidiary companies	**0.3**	21.4
(11.0)	Disposals	**(4.9)**	(7.9)
(64.2)	Disposal of subsidiary companies	**(714.3)**	(56.8)
(486.9)	Return of development properties	**–**	–
(117.7)	Depreciation	**(45.3)**	(51.8)
–	Reclassifications	**(55.4)**	–
2,605.9	**CLOSING NET BOOK AMOUNT**	**1,775.6**	3,097.3

9. REVENUE AND OTHER RESERVES

(US$ millions)	Revenue reserve	Property revaluation reserve	Exchange reserve	**Total**
At 1 January 2000	1,600.0	26.0	(169.3)	**1,456.7**
Exchange translation	–	–	(70.8)	**(70.8)**
Disposals of subsidiary companies	–	–	17.1	**17.1**
Shares issued in lieu of dividends	1.5	–	–	**1.5**
Transfer upon disposal of property	0.3	(0.3)	–	**–**
Retained profit for the period	46.7	–	–	**46.7**
AT 30 JUNE 2000	**1,648.5**	**25.7**	**(223.0)**	**1,451.2**
At 1 January 1999	1,475.6	26.0	(196.2)	1,305.4
Exchange translation	–	–	26.4	26.4
Divestments of subsidiary companies	–	–	25.3	25.3
Shares issued in lieu of dividends	0.8	–	–	0.8
Retained profit for the period	105.6	–	–	105.6
AT 30 JUNE 1999	1,582.0	26.0	(144.5)	1,463.5

10. GOODWILL RESERVE

The movements in goodwill reserve are set out below.

At 31 December 1999	(US$ millions)	At 30 June 2000	At 30 June 1999
976.0	Opening amount	**1,744.1**	976.0
	Goodwill arising during the period on		
9.1	- acquisitions of subsidiary companies	**–**	5.0
809.1	- acquisitions of associated companies	**–**	36.7
32.8	- increased investments in subsidiary companies	**–**	1.3
–	- increased investments in associated companies	**189.9**	–
	Goodwill reinstated on		
(59.8)	- disposals of subsidiary companies	**(101.2)**	(59.8)
(16.9)	- divestments of subsidiary companies	**–**	(16.0)
–	- divestments of associated companies	**(12.7)**	–
(6.2)	- dilution of interest in a subsidiary company	**–**	(6.2)
1,744.1	**CLOSING AMOUNT**	**1,820.1**	937.0

11. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(a) ANALYSIS OF CHANGES IN FINANCING

(US$ millions)	Share capital and share premium	Outside interests	Bank and other borrowings	**Total financing**
At 1 January 2000	878.9	1,350.5	1,450.9	**3,680.3**
Attributable to Banking operations	–	(219.8)	–	**(219.8)**
Sources of financing activities	878.9	1,130.7	1,450.9	**3,460.5**
Exchange translation	–	(72.1)	(36.7)	**(108.8)**
Net cash outflow	–	–	(91.0)	**(91.0)**
Balances in disposed subsidiary companies	–	(160.0)	(396.8)	**(556.8)**
Attributable profit less dividends	–	2.9	–	**2.9**
Other movements	–	37.8	–	**37.8**
AT 30 JUNE 2000	**878.9**	**939.3**	**926.4**	**2,744.6**
At 1 January 1999	482.7	1,385.2	1,520.7	3,388.6
Attributable to Banking operations	–	(215.9)	–	(215.9)
Sources of financing activities	482.7	1,169.3	1,520.7	3,172.7
Exchange translation	–	30.5	16.9	47.4
Net cash inflow/(outflow)	202.5	147.2	(372.2)	(22.5)
Balances in acquired subsidiary companies	–	10.8	8.7	19.5
Balances in disposed subsidiary companies	–	(1.5)	(20.3)	(21.8)
Attributable profit less dividends	–	27.2	–	27.2
Goodwill arising during the period	–	(0.1)	–	(0.1)
Other movements	–	128.8	(0.6)	128.2
AT 30 JUNE 1999	685.2	1,512.2	1,153.2	3,350.6

(b) ANALYSIS OF BANK AND OTHER BORROWINGS

(US$ millions)	**At 30 June 2000**	At 31 December 1999
Loan capital and long-term borrowings	**536.3**	832.1
Short-term borrowings	**420.3**	631.7
Amounts reclassified as cash and cash equivalents		
- Overdrafts	**(2.4)**	(2.8)
- Other short-term borrowings with an original maturity of less than 90 days	**(27.8)**	(10.1)
TOTAL	**926.4**	1,450.9

(c) The Group has pledged bank deposits of US$17.7 million (1999: US$27.1 million) as security for the Group's banking facilities.

(d) CASH FLOWS RELATING TO BANKING OPERATIONS

The following cash flows relating to Banking operations during the period are excluded from the Condensed Consolidated Cash Flow Statement.

	Six months ended 30 June	
(US$ millions)	**2000**	1999
Net cash outflow from operating activities	**(50.5)**	(81.8)
Net cash outflow from returns on investments and servicing of finance	**(1.9)**	–
Tax (paid)/refunded	**(0.2)**	0.1
Net cash inflow/(outflow) from investing activities	**2.2**	(0.3)
DECREASE IN CASH AND CASH EQUIVALENTS	**(50.4)**	(82.0)
Cash and cash equivalents at 1 January	**760.8**	758.1
Exchange translation	**(2.2)**	(1.4)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**708.2**	674.7

12. ACQUISITIONS AND INVESTMENTS

INCREASED INVESTMENTS IN ASSOCIATED COMPANIES

(US$ millions)	**2000**
CONSIDERATION	
Cash and cash equivalents	**–**
Fair value of subsidiary companies disposed of	**272.8**
TOTAL CONSIDERATION	**272.8**
Net assets acquired at fair value	**82.9**
GOODWILL	**189.9**

On 24 March 2000, PLDT issued 35.1 million new common shares at a value of approximately US$931.2 million in exchange for all of the issued share capital of Smart. As a result, the Group's 50.3 per cent interest in Smart was sold in return for an increased interest in PLDT. As a result of the transaction, the Group's interest in PLDT increased to approximately 23.1 per cent from 17.5 per cent.

On 7 April 2000, First Pacific combined First Pacific Davies Limited with Savills in return for 7.8 million new shares in Savills and HK$225.0 million (US$28.9 million) in cash. The Group's interest in Savills increased to just under 30.0 per cent from 19.8 per cent. Following the subsequent disposal of a 10 per cent interest (refer note 13(b)), the Group's interest in Savills is now 19.9 per cent.

13. DISPOSALS AND DIVESTMENTS

(a) DISPOSALS OF SUBSIDIARY COMPANIES

(US$ millions)	**2000**	1999
NET ASSETS		
Property and equipment	**714.3**	56.8
Associated companies	**(68.2)**	1.7
Long-term investments	**11.4**	–
Long-term receivables	**5.0**	0.1
Cash and cash equivalents	**67.9**	1.9
Accounts receivable and prepayments	**151.0**	30.6
Inventories	**29.1**	11.7
Outside interests	**(160.0)**	(1.5)
Loan capital and long-term borrowings	**(182.0)**	(18.4)
Deferred liabilities and provisions	**(66.2)**	(0.1)
Deferred taxation	**(14.2)**	0.5
Accounts payable and accruals	**(69.7)**	(23.3)
Amount due to group companies	**(87.6)**	–
Short-term borrowings	**(214.8)**	(7.0)
Provision for taxation	**(2.0)**	(1.2)
TOTAL NET ASSETS DISPOSED OF	**114.0**	51.8
Goodwill reinstated from reserves	**101.2**	59.8
Exchange reserves reinstated	**17.1**	–
Gain on disposal	**77.5**	37.4
CONSIDERATION		
Cash and cash equivalents	**35.8**	148.0
Additional interest in associated companies	**272.8**	–
Others	**1.2**	1.0
TOTAL CONSIDERATION	**309.8**	149.0
NET (OUTFLOW)/INFLOW OF CASH AND CASH EQUIVALENTS	**(32.1)**	146.1

Disposals in 2000 primarily relate to Smart and First Pacific Davies Limited, details of which are set out in Note 12.

(b) DISPOSALS OF ASSOCIATED COMPANIES AND OTHERS

Cash inflows of US$65.4 million were generated from the sale of the Group's entire interest in Shenzhen Merchant Link and Fujian Telecom (US$41.5 million), the disposal of a 10 per cent interest in Savills (US$22.0 million), and the sale of property and equipment (US$1.9 million). There remains outstanding a receivable balance of US$45.5 million in respect of the disposal of Shenzhen Merchant Link and Fujian Telecom.

1999 cash inflows of US$179.9 million were generated from the sale of a 22 per cent interest in Smart (US$148.5 million), the Group's 23 per cent interest in Tuntex (US$25.4 million) and others (US$6.0 million).

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(a) CAPITAL EXPENDITURE

Commitments not provided for in the Condensed Interim Financial Statements are set out below.

At 31 December 1999	(US$ millions)	At 30 June 2000	At 30 June 1999
175.6	Authorized but not contracted for	**132.3**	113.7
206.7	Contracted but not provided for	**112.3**	216.6
382.3	**TOTAL**	**244.6**	330.3

Commitments are in respect of:

At 31 December 1999	(US$ millions)	At 30 June 2000	At 30 June 1999
9.2	Consumer	**11.3**	5.2
296.2	Telecommunications	**107.8**	160.6
75.9	Property	**123.5**	164.1
1.0	Banking	**2.0**	0.4
382.3	**TOTAL**	**244.6**	330.3

(b) CONTINGENT LIABILITIES

At 31 December 1999	(US$ millions)	At 30 June 2000	At 30 June 1999
91.6	Guarantees for credit facilities given to associated companies	**133.7**	91.3
–	Other	**–**	28.6
91.6	**TOTAL**	**133.7**	119.9

At 30 June 2000, First Pacific Bank reported contingent liabilities in respect of guarantees and other obligations amounting to US$27.1 million (1999: US$14.1 million), and contingent liabilities entered into in the ordinary course of banking business in respect of exchange and interest rate contracts, on which it is anticipated that no material loss will arise.

15. RELATED PARTY TRANSACTIONS

(a) On 23 February 2000, the Company announced that an agreement for sale and purchase was entered into between FPB Bank Holding Company Limited ("FPB"), a 41.3 per cent owned subsidiary of the Company and Mr. James C. Ng, a director of both the Company and FPB, pursuant to which FPB agreed to sell a property located at Tai Tam, Hong Kong, for a total cash consideration of HK$24.5 million (US$3.1 million), based upon two independent third party valuations.

(b) On 24 March 2000, the Company and Metro Pacific separately announced that each had sold their respective interests in Smart in exchange for new PLDT shares after obtaining all government and regulatory approvals. As a result, the Group's economic interest in PLDT increased to 23.1 per cent.

(c) On 29 June 2000, the Company announced the sale of its 53.0 per cent interest in the JSSPinnacle Group and of certain businesses and assets of First Pacific Davies (UK) Limited (FPDUK) and UK Pacific Holdings Limited (UKPAC) for £2.5 million (US$3.8 million) to a management led consortium headed by Godfrey Blott, a former director of First Pacific Davies Limited. JSSPinnacle Group Limited, FPDUK and UKPAC were subsidiaries of the Company engaged in providing property management services for residential and commercial properties located in the London area.

(d) As at 30 June 2000, PT Salim Ivomas Pratama ("SIMP"), a subsidiary of Indofood, and certain of SIMP's indirect subsidiaries had pledged deposits totaling Rupiah 517 billion (US$59 million) in favor of Bank Danamon International ("BDI"), which is supervised by the Indonesian Bank Restructuring Agency ("IBRA"), a shareholder in First Pacific. The deposits were pledged as security in connection with loans advanced by BDI to certain companies, which are indirectly owned by PT Holdiko Perkasa (a Salim company that is under supervision by IBRA). PT Holdiko Perkasa is in discussions with BDI to replace SIMP's deposits with an alternative security acceptable to BDI.

(e) In the ordinary course of business, Smart has engaged in transactions with PLDT that are considered related party transactions. Smart and PLDT believe that the terms of these transactions are comparable with those available from unrelated parties. Disclosures below are for the period prior to PLDT's acquisition of Smart.

(US$ millions)	**For the quarter ended 31 March 2000**
Interconnection expense to PLDT	**8.5**
Accounts receivable from PLDT	**2.9**

(f) In the ordinary course of business, Indofood has engaged in trade and financial transactions with certain of its associated and affiliated companies, the majority of which are related to the Salim family either through direct and/or common share ownership. Mr. Soedono Salim is a former director and Mr. Anthoni Salim is a current director while both are also substantial shareholders of the Company.

Indofood believes that these transactions are conducted under normal terms/prices and conditions similar to those with non-related parties. The more significant of such transactions with these related parties are summarized below.

(US$ millions)	For the six months ended 30 June 2000
PROFIT AND LOSS ITEMS	
Sales of finished goods	
- to associated companies	**27.0**
- to affiliated companies	**9.4**
Purchase of raw materials	
- from associated companies	**14.9**
- from affiliated companies	**91.1**
Interest income from loans to affiliated companies	**0.7**
Interest expense on finance lease obligations due to affiliated companies	**0.2**
Royalty income from affiliated companies	**0.1**
Management and technical services fee income from affiliated companies	**0.2**
Insurance premiums paid to affiliated companies	**2.3**

Approximately 5 per cent of Indofood's sales and 21 per cent of its purchases were made to/from these related companies.

(US$ millions)	At 30 June 2000
BALANCE SHEET ITEMS	
Accounts receivable - trade	
- from associated companies	**4.3**
- from affiliated companies	**2.3**
Accounts receivable from affiliated companies - non-trade	**20.4**
Accounts payable - trade	
- to associated companies	**2.7**
- to affiliated companies	**18.2**
Accounts payable to affiliated companies - non-trade	**0.3**

16. SUBSEQUENT EVENTS

(a) On 3 July 2000, Indofood issued Rupiah 1 trillion (US$114.4 million) five-year bonds with an interest rate of 16 per cent. Subsequently, on 31 July 2000, Indofood repaid US$253.0 million and Rupiah 626.0 billion (US$71.6 million) of loans.

(b) On 12 July 2000, the Company announced that it agreed to purchase Metro Pacific's entire interest in PLDT, representing approximately 8.0 per cent of PLDT's issued capital, for Pesos 12.1 billion (US$274.9 million). Under the terms of the agreement, First Pacific would acquire Metro Pacific's direct and indirect interests, totalling 13,438,220 PLDT shares, at Pesos 900 (US$20) per share. Given the First Pacific Group's attributable 80.6 per cent economic interest in Metro Pacific, the transaction effectively results in First Pacific increasing its economic interest in PLDT by 1.5 per cent to 24.6 per cent at a cost of Pesos 2.3 billion (US$53.3 million).

On 10 August 2000, the Company's independent shareholders approved the transaction at a special general meeting.

We have reviewed the Condensed Interim Financial Statements of First Pacific Company Limited for the six months ended 30 June 2000 set out on pages 12 to 24 which are the responsibility of, and have been approved by, the Directors. Our responsibility is to report on the results of our review.

Our review consisted principally of obtaining an understanding of the process involved in the preparation of the Condensed Interim Financial Statements, applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied, and making enquiries of Group management responsible for financial and accounting matters.

The review excluded procedures such as tests of controls and verification of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with Hong Kong Auditing Standards. Accordingly, we do not express an audit opinion on the Condensed Interim Financial Statements.

On the basis of our review, in our opinion the Condensed Interim Financial Statements have been prepared using accounting policies consistent with those adopted by First Pacific Company Limited in its Financial Statements for the year ended 31 December 1999, and we are not aware of any material modifications that should be made to the Condensed Interim Financial Statements as presented.

PricewaterhouseCoopers
CERTIFIED PUBLIC ACCOUNTANTS, HONG KONG

4 September 2000

INTERESTS OF THE EXECUTIVE CHAIRMAN AND OTHER DIRECTORS IN THE COMPANY

Information in respect of the interests of the Executive Chairman and other Directors in the capital of the Company as at 30 June 2000, disclosed pursuant to the requirements of the Hong Kong Securities (Disclosure of Interests) Ordinance (SDI Ordinance), is detailed below.

Name	Ordinary shares	Ordinary share options
Interests of Sutanto Djuhar, Tedy Djuhar, Ibrahim Risjad and Anthoni Salim all via First Pacific Investments Limited	910,229,364(C)	–
Interest of Anthoni Salim via		
First Pacific Investments (BVI) Limited (i)	360,258,338(C)	–
and PT Holdiko Perkasa (ii)	118,366,000(C)	–
Manuel V. Pangilinan	11,136,759(P)	12,498,000(P)
Michael J. A. Healy	147,327(P)	2,968,000(P)
Ronald A. Brown	2,452,640(P)	3,864,000(P)
David G. Eastlake	108,241(P)	2,060,000(P)
James C. Ng	–	–
Ricardo S. Pascua	3,000,000(P)	–
Edward A. Tortorici	12,567,519(P)	6,476,000(P)
Prof. Edward K. Y. Chen, CBE, JP	–	–
David W.C. Tang, OBE	–	–

(i) First Pacific Investments (BVI) Limited owns a US$50,000,000 convertible note of the Company.

(ii) On 16 August 2000, PT Holdiko Perkasa sold 34,447,000 shares, representing 1.18 per cent of the total issued share capital.

INTERESTS OF THE EXECUTIVE CHAIRMAN AND OTHER DIRECTORS IN THE COMPANY'S ASSOCIATED CORPORATIONS

The interests of the Executive Chairman and other Directors at 30 June 2000 in the capital of the Company's associated corporation were as follows:

- Manuel V. Pangilinan owned 14,948,064 common shares (P) in Metro Pacific Corporation, 11,300 common shares (P) in Philippine Long Distance Telephone Company, 375 common shares (P) in Steniel Manufacturing Corporation and 10,000 ordinary shares (P) in FPB Bank Holding Company Limited. In addition, he was entitled to 97,571 stock options (P) in Philippine Long Distance Telephone Company.
- Michael J. A. Healy owned 125,000 ordinary shares (P) in PT Indofood Sukses Makmur Tbk.
- Ronald A. Brown owned 20,000 ordinary shares (P) in PT Darya-Varia Laboratoria Tbk, 179 ordinary shares (P) in FPB Bank Holding Company Limited and 116,500 ordinary shares (P) in PT Indofood Sukses Makmur Tbk.
- James C. Ng owned 6,674,415 ordinary shares (P) in FPB Bank Holding Company Limited.
- Ricardo S. Pascua owned 16,881,026 common shares (P) in Metro Pacific Corporation, 1,650,150 common shares (P) in Steniel Manufacturing Corporation, 370,000 common shares (P) in Fort Bonifacio Development Corporation, 6,424 common shares (P) in Philippine Long Distance Telephone Company and 1,760 ordinary shares (P) in FPB Bank Holding Company Limited. In addition, he was entitled to 45,067,368 stock options (P) in Metro Pacific Corporation and 15,582,000 stock options (P) in Fort Bonifacio Development Corporation.
- Edward A. Tortorici owned 3,051,348 common shares (P) in Metro Pacific Corporation, 96,880 common shares (P) in Philippine Long Distance Telephone Company and 380,000 ordinary shares (P) in PT Indofood Sukses Makmur Tbk.
- Sutanto Djuhar owned 3,104,067 ordinary shares (C) in PT Indofood Sukses Makmur Tbk.
- Tedy Djuhar owned 3,104,067 ordinary shares (C) in PT Indofood Sukses Makmur Tbk.
- Ibrahim Risjad owned 1,281,236 ordinary shares (P) in PT Indofood Sukses Makmur Tbk.
- Anthoni Salim owned 146,592,459 ordinary shares (C) in PT Indofood Sukses Makmur Tbk.

C = Corporate interest, P = Personal interest, F = Family interest

INTERESTS OF SUBSTANTIAL SHAREHOLDERS OTHER THAN THE EXECUTIVE CHAIRMAN AND OTHER DIRECTORS IN THE COMPANY

Those registered shareholders holding 10.0 per cent or more of the issued shares in the Company are:

A) First Pacific Investments Limited (FPIL-Liberia), which is incorporated in the Republic of Liberia and is majority owned by four Non-executive Directors of the Company. Their beneficial indirect interests in the Company, through FPIL-Liberia, as at 30 June 2000, were: Sutanto Djuhar 9.37 per cent, Tedy Djuhar 3.12 per cent, Ibrahim Risjad 3.12 per cent, and Anthoni Salim 3.12 per cent.

B) First Pacific Investments (BVI) Limited (FPIL-BVI), which is incorporated in the British Virgin Islands and is 33.3 per cent owned by one Non-executive Director of the Company. Anthoni Salim's beneficial indirect interest in the Company, through FPIL-BVI, as at 30 June 2000, was 4.12 per cent.

C) The Capital Group Companies, Inc held 319,697,548 ordinary shares, representing 10.97 per cent of the total issued share capital.

As at 30 June 2000, FPIL-Liberia beneficially owned 910,229,364 ordinary shares in its name. These shares have been included in the interests of four Non-executive Directors' corporate interests via FPIL-Liberia as referred to on page 26 of this Report. The remaining 360,258,338 ordinary shares are beneficially owned by FPIL-BVI and have been included in the corporate interests of one Non-executive Director, Anthoni Salim.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

No purchase, sale or redemption of any of First Pacific Company's listed securities has been made by the Company or any of its subsidiary companies during the period.

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company has, during the period, not been in compliance with the Company's Code of Best Practice, which incorporates the items set out in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

In compliance with the additional requirement of The Stock Exchange of Hong Kong Limited pursuant to its Code of Best Practice, the Company established an Audit Committee in 1998, which currently is composed of two independent Non-executive Directors. Reporting to the Board of Directors, the Audit Committee reviews matters within the purview of audit, such as Financial Statements and internal control, to protect the interests of the Company's shareholders. The Audit Committee meets regularly with the Company's external auditors to discuss the audit process and accounting issues.

As a Hong Kong listed company, First Pacific is required to comply with Hong Kong accounting standards, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. As such, the Financial Statements of the Company are prepared in accordance with Hong Kong Generally Accepted Accounting Practice (HK GAAP). For the benefit of international investors, there follows a reconciliation between HK GAAP and International Accounting Standards (IAS).

IAS Reconciliation

The principal differences between HK GAAP and IAS, that would materially impact the consolidated profit attributable to ordinary shareholders and shareholders' equity, relates to the treatment of goodwill, deferred tax and proposed dividends. For details of HK GAAP and IAS accounting treatments in respect of goodwill and deferred tax, please refer to page 83 of the 1999 Annual Report. In the Financial Statements, ordinary dividends are provided for in the same period in which they are recommended. Under IAS, dividends are not provided for until declared.

The following is a summary of the estimated material adjustments to consolidated profit attributable to ordinary shareholders and shareholders' equity which would be required if IAS were to be applied instead of HK GAAP. It is assumed that goodwill is amortized over 20 years.

Profit attributable to ordinary shareholders

Year ended 31 December 1999	(US$ millions)	Six months ended 30 June **2000**	1999
138.2	**PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS AS REPORTED UNDER HK GAAP**	**50.4**	113.1
	Estimated material IAS adjustments:		
13.7	- Reversal of goodwill reinstated on disposals and dilutions	**28.1**	13.1
(68.5)	- Purchased goodwill amortization	**(45.2)**	(25.5)
(1.5)	- Net deferred tax liabilities recognized	**(2.4)**	(0.5)
81.9	**ESTIMATED PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS UNDER IAS**	**30.9**	100.2
	(U.S. cents)		
	ESTIMATED EARNINGS PER SHARE UNDER IAS		
3.2	- Basic	**1.1**	4.2
3.1	- Diluted	**1.0**	4.2

Shareholders' equity

At 31 December 1999	(US$ millions)	At 30 June **2000**	1999
591.5	**SHAREHOLDERS' EQUITY AS REPORTED UNDER HK GAAP**	**510.0**	1,211.7
	Estimated material IAS adjustments:		
1,621.1	- Capitalization of purchased goodwill	**1,659.9**	835.5
7.5	- Proposed dividends	**3.7**	7.5
(14.4)	- Net deferred tax (liabilities)/assets recognized	**(19.6)**	8.2
2,205.7	**ESTIMATED SHAREHOLDERS' EQUITY UNDER IAS**	**2,154.0**	2,062.9
	(U.S. cents)		
75.8	**ESTIMATED SHAREHOLDERS' EQUITY PER SHARE UNDER IAS**	**73.9**	77.8

FINANCIAL DIARY

Preliminary announcement of interim results	4 September 2000
Last day to register for interim dividend	20 September 2000
Interim report posted to shareholders	15 September 2000
Payment of interim dividend	23 October 2000
Financial year end	31 December 2000
Preliminary announcement of 2000 results	5 March 2001*

** Subject to confirmation*

HEAD OFFICE

24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong
Telephone: (852) 2842 4388
Fax: (852) 2845 9243
E-mail: info@firstpac.com.hk

REGISTERED OFFICE

Cedar House, 41 Cedar Avenue
Hamilton HM12, Bermuda
Telephone: (1 441) 295 2244
Fax: (1 441) 292 8666

TO CONSOLIDATE SHAREHOLDINGS

Write to our principal share registrar and transfer office in Bermuda at:
Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, Bermuda
Or the Hong Kong branch at:
Central Registration Hong Kong Limited
Rooms 1901-5, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODES

The Stock Exchange of Hong Kong: 142
Bloomberg: 142 HK
Reuters: 0142.HK
ADR Code: FPAFY
CUSIP reference number: 335889200

TO RECEIVE ADDITIONAL INFORMATION, CONTACT

Rebecca G. Brown
Executive Vice President
Group Corporate Communications
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong
Telephone: (852) 2842 4374
Fax: (852) 2845 9243
Email: info@firstpac.com.hk

WEB SITE

www.firstpacco.com

SHARE LISTINGS

First Pacific's shares are listed on The Stock Exchange of Hong Kong and are traded over-the-counter in the United States in the form of American Depositary Receipts issued by The Bank of New York.

AUDITORS	PricewaterhouseCoopers 22nd Floor, Prince's Building Central, Hong Kong
SOLICITORS	Richards Butler 20th Floor, Alexandra House Central, Hong Kong
PRINCIPAL BANKERS	ING Bank NV ABN AMRO Bank NV Bank of America Chase Manhattan Bank The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank

The following sets out the Group's aggregate direct and indirect economic interests in principal operations held through subsidiary and associated companies. The percentage of equity capital, held in certain companies by the Group, as at 30 June 2000 may differ from the effective economic interest.

Company	Place of incorporation/ principal area of operation	Issued share capital	Percentage of economic interest attributable to subsidiary companies	Percentage of economic interest attributable to the Group
CONSUMER				
PT Indofood Sukses Makmur Tbk (i)	Indonesia	Rupiah 915.6 billion	40.0	40.0
Berli Jucker Public Company Limited (i)	Thailand	Baht 1,588.1 million	83.5	83.5
PT Darya-Varia Laboratoria Tbk (i)	Indonesia	Rupiah 280.0 billion	89.5	89.5
Metro Pacific Corporation (i)	Philippines	Pesos 18,598.9 million	80.6	80.6
TELECOMMUNICATIONS				
Philippine Long Distance Telephone Company (i)	Philippines	Pesos 842.4 million	31.7	23.1
Escotel Mobile Communications Limited	India	Rupees 3,100.0 million	49.0	49.0
PROPERTY				
Bonifacio Land Corporation	Philippines	Pesos 5,465.7 million	66.2	53.4
Landco Pacific, Inc	Philippines	Pesos 500.0 million	60.0	48.4
Pacific Plaza Towers	Philippines	N/A	100.0	80.6
Savills plc (i)	United Kingdom	£3.1 million	19.9	19.9
BANKING				
FPB Bank Holding Company Limited (i)	Bermuda/ Hong Kong	HK$1,248.0 million	51.0	41.3
First eBank (i)	Philippines	Pesos 92.0 million	33.0	26.6

(i) These companies are separately listed and have annual reports that are publicly available.

Principal activities
Indofood, is a leading processed-foods group with operations throughout Indonesia. It is based in Jakarta, and is listed on the Jakarta and Surabaya stock exchanges. Indofood's principal businesses are Instant Noodles, Flour and Edible Oils & Fats, and it also has interests in Snack Foods, Baby Foods, Food Seasonings and Distribution. Further information on Indofood can be found at www.indofood.co.id.
Berli Jucker, which is Bangkok-based, is the Group's flagship in Thailand, where it is publicly listed. It focuses on the manufacturing, marketing and distribution of glass, consumer, technical and imaging products. Further information on Berli Jucker can be found at www.berlijucker.co.th.
Darya-Varia, which is based and separately listed in Jakarta, is a leading fully-integrated healthcare company engaged in the manufacture, marketing and distribution of prescription and over-the-counter medicines. Further information on Darya-Varia can be found at www.darya-varia.com.
Metro Pacific, which is Manila-based, where it is separately listed, has interests principally in Property (Bonifacio Land Corporation, Landco Pacific and Pacific Plaza Towers). It also has interests in Banking (First eBank), Packaging (Steniel) and Transportation (Negros Navigation). Subsequent to 30 June, Metro Pacific sold its entire interest in PLDT to First Pacific. Further information on Metro Pacific can be found at www.metropacific.com.
PLDT is the principal supplier of domestic and international telecommunications services in the Philippines. Based in Manila and listed on the Philippine Stock Exchange, PLDT is actively pursuing a convergence strategy and has three principal business groups - fixed line, wireless and e-commerce - providing a comprehensive menu of products and services across the most extensive broadband and integrated networks in the country. Subsequent to 30 June, First Pacific agreed to acquire Metro Pacific's entire interest in PLDT, thereby increasing its interest in PLDT to 24.6 per cent. Further information on PLDT can be found at www.pldt.com.ph.
Escotel, which is based in New Delhi, provides GSM cellular telephone services in Uttar Pradesh (West), Haryana and Kerala.
Bonifacio Land, a subsidiary of Metro Pacific, owns 55.0 per cent of Fort Bonifacio Development Corporation, which is developing the Fort Bonifacio Global City, a former military base being transformed into the premier central business and residential district in Metro Manila. The remaining 45.0 per cent is held by the Philippine Government's Bases Conversion Development Authority. Further information on Bonifacio Land can be found at www.fbglobalcity.com.
Landco Pacific, a subsidiary of Metro Pacific, is a property developer focusing on high-quality resort, residential and commercial developments nationwide in the Philippines.
Pacific Plaza Towers is Metro Pacific's prestigious 53-story twin-tower condominium development in Fort Bonifacio. Further information on Pacific Plaza Towers can be found at www.pacificplazatowers.com.
Savills plc is a leading international property services company with a full listing on the London Stock Exchange with offices in the United Kingdom, Continental Europe and Asia Pacific; its property services subsidiaries trade under the brand name of FPDSavills. Further information on Savills can be found at www.fpdsavills.co.uk.
FPB Bank Holding, which is publicly traded in Hong Kong, owns First Pacific Bank, a 24-branch network offering retail, consumer and commercial banking services in Hong Kong. Further information on First Pacific Bank can be found at www.firstpacbank.com.
First eBank (formerly PDCP Bank), which is an affiliate of Metro Pacific, is a publicly listed 60-branch network offering personal and corporate banking services in the Philippines. Further information on First eBank can be found at www.1stebank.com.ph.

FIRST
PACIFIC