

Monday, 22 July 2002

FIRST PACIFIC RESPONDS TO PLDT

First Pacific notes PLDT's press statement of today regarding First Pacific's filing of the MOA pertaining to its proposed transaction with the Gokongwei Group.

First Pacific reiterates its previous statement that the material terms and conditions of the MOA already have been disclosed on 5 June 2002 by First Pacific, in accordance with the Hong Kong Stock Exchange's Listing Rules on "Notifiable Transactions", as well as in First Pacific's 11 June 2002 filing with the United States Securities and Exchange Commission, with the exceptions previously noted.

First Pacific wishes to emphasise that it is common in documenting transactions that memorandum of agreement or understanding, by their very nature, are no more than preliminary recitations of the general parameters upon which transactions are based. For this reason, First Pacific's public announcements on the proposed transaction informed the investing public that definitive documentation, containing the final terms and conditions with "the Gokongwei Group or entities designated by them", would be entered into in the future. At such time, First Pacific will make the appropriate announcement.

As to the impact of our proposed transaction on PLDT and its shareholders, we note that PLDT is a publicly listed company on the Philippine, New York and Pacific Stock Exchanges, which listings are designed to ensure that any shareholder, whether large or small, has the right to freely buy and sell its interests in those shares. This is the very essence of a publicly traded company and no shareholder should have such rights impeded by management.

On the matter of PLDT's bylaw on the nomination and election of competitors to the board of PLDT, this was approved on 29 March 2001 by the board of PLDT without prior notice to, and approval by, PLDT's shareholders in general meeting. While the PLDT board acted pursuant to a PLDT shareholders resolution, because such resolution was enacted in April 1953, it would be best corporate governance practice at this time for all PLDT shareholders to be given the opportunity to review, in the next general meeting, this resolution and other similarly adopted resolutions, to ensure that management act at all times in the best interests of all shareholders.

First Pacific hopes that this clarification will serve to curtail any further debate regarding the material substance of the MOA.

* * *

