

**12th January 1999**

**FIRST PACIFIC SELLS TAIWANESE CELLULAR STAKE FOR US\$73 MLN**

First Pacific Company Limited announced today that it has sold the 23 per cent economic interest it holds, in conjunction with Taiwanese associates, in Tuntex Telecommunications for NT\$2,353 million, or US\$73.2 million (HK\$571 million).

The Group, which initially invested in the business in May 1997, will record an exceptional gain of approximately US\$35 million (HK\$273 million) on the disposal. The proceeds are payable in installments through December 1999.

The Group's holding in Tuntex Telecom, which has approximately 200,000 subscribers on its PCS mobile phone service in central and southern Taiwan, was purchased by KG Telecommunications Co. Ltd. KG operates a PCS network in the country's northern region and has no connection to the Group.

Thomas Y. Yasuda, a First Pacific Executive Director, said: "The decision to dispose of our investment in Tuntex Telecom conforms with First Pacific's stated objective of refocusing its investments in activities where we can achieve a strong market position with significant influence over management. Tuntex Telecom has shown excellent growth since it began providing service a little more than a year ago and we believe KG will bring great strengths to the business."

The sale of Tuntex Telecom is the latest step in First Pacific's evolution into a company that holds a select number of Asian blue chips which are substantial players in their market. These include the Group's recent investment in Philippine Long Distance Telephone Company and its proposed investment Indofood. Proceeds of the sale of the unit will be used to further reduce debt, which currently stands at approximately US\$220 million, plus US\$268 million in convertible bonds.