

2nd November 1998

FIRST PACIFIC CONFIRMS THAT IT IS ENGAGED IN DISCUSSIONS TO ENLARGE ITS EXISTING SHAREHOLDING IN PLDT

First Pacific Company Limited confirmed today that it is engaged in discussions with various parties to purchase a significant proportion of shares in Philippine Long Distance Telephone Co. (PLDT), and that it has already accumulated a strategic stake in the company.

Should the Group ultimately succeed in enlarging its investment in the company, it would seek representation on PLDT's Board, as well as participation in its management.

First Pacific's Managing Director Manuel V. Pangilinan said: "First Pacific has long been an active player in the Asian telecoms industry and we have particular interest in the Philippines telecoms sector. Our Smart Communications subsidiary has achieved marked success there, and we see considerably more potential in the overall market. We believe that First Pacific's participation in PLDT would benefit both PLDT and its customers, as well as shareholders of both companies."

No definitive agreement has been reached on acquiring further shares in PLDT, and no specific timetable has been finalized for concluding any of the potential transactions under discussion.

The Group does not currently intend to specify the size or value of its investment in PLDT, which has been made in recent weeks, as it falls below the disclosure threshold specified by the Hong Kong Stock Exchange.

First Pacific is a Hong Kong-based Asian conglomerate with businesses in the four core areas of Marketing & Distribution, Telecommunications, Property and Banking, operating primarily in Hong Kong, Indonesia, the Philippines and Thailand.

Its Telecommunications activities currently serve some 1.1 million subscribers, including in the Philippines, where Smart Communications has more than 750,000 cellular subscribers and a further 120,000 fixed-line subscribers. In addition, it has investments in telecoms operations in China, through Shenzhen Merchant Link and Fujian Telecom; in Taiwan, through Tuntex Communications; in India, through Escotel; and in Indonesia, through Metrosel. It also operated telecom networks in Hong Kong for 10 years through Pacific Link, which was divested in December 1997.

PLDT has approximately 1.7 million fixed-line subscribers and is the nation's dominant provider of domestic and international telephone service. Its shares are listed on the Philippine Stock Exchange and are traded in the U.S. as American Depositary Receipts on the New York Stock Exchange and the Pacific Stock Exchange.