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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

MAJOR TRANSACTION

Establishment of Joint Venture Arrangements with the Gokongwei Group in Relation to the First Pacific Group's Interests in Philippine Long Distance Telephone Company and Bonifacio Land Corporation

The board of directors of the Company announces that the Company has on 4th June, 2002 entered into a legally-binding memorandum of agreement with the Gokongwei Group for the establishment of joint venture arrangements with the Gokongwei Group or entities designated by them in relation to the First Pacific Group's interest in PLDT and part of the First Pacific Group's interest in BLC. The joint venture arrangements will be owned as to two-thirds by the Gokongwei Group or entities designated by them and as to one-third by the First Pacific Group. The Gokongwei Group is a major Philippines group with diversified business interests, including interests in several companies having their shares listed on the Philippine Stock Exchange.

The Transaction values the Company's interest in PLDT at US\$925.0 million (HK\$7.2 billion) and is expected to generate a cash consideration of US\$616.6 million (HK\$4.8 billion) for two-thirds of that interest. Such cash consideration is payable in United States dollars, in accordance with the payment schedule described below.

In addition, the First Pacific Group expects to receive, from the joint venture company to which its secured interest in BLC is to be transferred, an amount equal to the outstanding amount of the secured loan advanced in April 2001 by Larouge (a wholly owned subsidiary of the Company) to MPC, of approximately US\$105.0 million (HK\$819.0 million), including principal and accrued interest. Such amount is payable in United States dollars, in accordance with the payment schedule described below.

The First Pacific Group (through its Philippine affiliates) currently has aggregate attributable direct and indirect economic interests of 24.4 per cent. of the issued common stock of PLDT (conferring voting rights of approximately 31.5 per cent. of the outstanding voting share capital of PLDT) and 80.6 per cent. of MPC. MPC, in turn, has a controlling 72.9 per cent. shareholding in BLC, of which 50.4 per cent. of the outstanding common stock of BLC is subject to a pledge in favour of Larouge, to secure a loan advanced by Larouge to MPC in April 2001 in the principal amount of US\$90.0 million (HK\$702.0 million). The First Pacific Group's entire interest in PLDT and its secured 50.4 per cent.

interest in BLC will be injected into the joint venture arrangements, to be held jointly with the Gokongwei Group or entities designated by them. The First Pacific Group's interest in MPC and MPC's remaining 22.5 per cent. of BLC will not be injected into the joint venture arrangements.

The joint venture arrangements will include proportional representation for both the First Pacific Group and the Gokongwei Group on the boards of directors of the relevant joint venture vehicles, PLDT, BLC and other relevant operating companies.

It is anticipated that further documentation in relation to the Transaction, containing the detailed terms and conditions of the Transaction, will be entered into on or around 30th June, 2002. The Company will make a further announcement following such documentation having been entered into.

Completion of the Transaction will be subject to the fulfilment or waiver of a number of conditions precedent, summarised below. The conditions precedent include the obtaining of all necessary Consents. In addition to the conditions precedent to completion of the Transaction, the implementation of the joint venture arrangements will require a limited intragroup reorganisation involving certain of the entities holding the First Pacific Group's direct and indirect interests in each of PLDT and BLC. Although it is the Company's intention to complete the reorganisation and satisfy the conditions precedent in accordance with a timetable which will permit completion of the Transaction in the third quarter of 2002, shareholders are advised that there can be no assurance that the requisite consents and approvals can be obtained or the relevant reorganisation and other elements of the Transaction completed within that timeframe or at all.

The Transaction constitutes a major transaction for the Company under the Listing Rules and, accordingly, completion of the Transaction will be subject to approval by the Company's shareholders at a special general meeting of the Company to be convened. A circular containing further information in relation to the Transaction, and convening the special general meeting of the Company required to approve it, will be despatched to the Company's shareholders following the further documentation containing the detailed terms and conditions of the Transaction having been entered into, as referred to above.

Appropriate steps have been taken by the board of directors of the Company to put in place the necessary safeguards in respect of any potential conflicts of interest arising from directors and other officers of the Company also holding office in other members of the First Pacific Group involved in the Transaction, such that any director or officer of the Company, including Executive Chairman Manuel V. Pangilinan, who has or may potentially have a conflict of interest in this regard is not involved in the consideration of the Transaction by the board of directors of the Company, will only be entitled to receive publicly available information in relation to the Transaction and will not be privy to confidential information in relation to the Transaction.

Trading in First Pacific's shares on the Stock Exchange was suspended at 9:30 a.m. on 5th June, 2002 at the request of the Company pending the release of this announcement. An application will be made for trading in First Pacific's shares to recommence at 9:30 a.m. on 6th June, 2002.

Establishment of Joint Venture Arrangements

The board of directors of the Company announces that the Company has on 4th June, 2002 entered into a memorandum of agreement with the Gokongwei Group for the establishment of joint venture arrangements in relation to the First Pacific Group's interest in PLDT and part of the First Pacific Group's interest in BLC.

Interests to be Held Subject to the Joint Venture Arrangements

The legally-binding MOA contemplates that the Company and the Gokongwei Group will establish equity joint venture arrangements, pursuant to which the following investments will be held:—

- (i) the First Pacific Group's attributable direct and indirect 24.4 per cent. economic interest in PLDT (conferring voting rights of approximately 31.5 per cent. of PLDT's issued voting share capital); and
- (ii) 50.4 per cent. of BLC, which is currently subject to a pledge granted in favour of Larouge (a wholly-owned subsidiary of the Company) to secure a loan advanced by Larouge to MPC in April 2001 in the principal amount of US\$90.0 million (HK\$702.0 million).

The First Pacific Group's interest in MPC and the remaining 22.5 per cent. of BLC held by MPC will not be injected into the joint venture arrangements and will continue to be held by the First Pacific Group.

Consideration

The Gokongwei Group or entities designated by the Gokongwei Group will acquire a two-thirds interest in the joint venture arrangements, for an aggregate consideration of US\$616.6 million (HK\$4.8 billion), calculated and payable in United States dollars as to:—

- (i) an amount of US\$100.0 million (HK\$780.0 million) in cash, upon Closing;
- (ii) two further payments, each of US\$100.0 million (HK\$780.0 million) in cash, 45 days and 90 days, respectively, after Closing; and
- (iii) three further payments of US\$50.0 million (HK\$390.0 million), US\$100.0 million (HK\$780.0 million) and US\$166.6 million (HK\$1.3 billion) in cash to be paid, respectively, on the first, second and third anniversary of Closing. These payments, in an aggregate amount of US\$316.6 million (HK\$2.5 billion), will bear interest, payable semi-annually, at a rate equal to six months' US\$ LIBOR plus two per cent.

The Transaction values the Company's interest in PLDT at US\$925.0 million (HK\$7.2 billion).

The payments referred to in (iii) above will be represented by promissory notes issued by the Gokongwei Group and secured by a pledge over the interest of the Gokongwei Group (or other relevant acquiring entities designated by them, as the case may be) in PLDT, held through the joint venture arrangements.

In addition to the consideration of US\$616.6 million (HK\$4.8 billion) payable by the Gokongwei Group referred to above, the First Pacific Group expects to receive from the joint venture company to which its secured interest in BLC is transferred, an amount equal to the amount outstanding in respect of the

US\$90.0 million (HK\$702.0 million) loan advanced by Larouge to MPC in April 2001, including interest accrued thereon to the date of Closing (principal plus interest accrued up to 31st May, 2002 is approximately US\$105.0 million (HK\$819.0 million). Such amount will be repaid by way of three equal instalments payable on the first, second and third anniversary of Closing, respectively. The principal amount of the loan outstanding will bear interest, payable semi-annually, at a rate equal to six months' US\$ LIBOR plus two per cent. The amount of interest accrued in respect of the loan to the date of Closing will not bear further interest. These repayment obligations will be represented by promissory notes to be issued by the joint venture company to which the 50.4 per cent. interest in BLC is to be transferred and secured by a pledge over those BLC shares.

Conditions and Potential Price Adjustment

Completion of the Transaction is subject to the fulfilment or waiver of a number of conditions precedent, including:—

- (i) the Gokongwei Group not having notified the First Pacific Group in writing on or before the expiry of a due diligence period to be agreed that the Gokongwei Group's due diligence investigation to be conducted in relation to the Transaction has revealed a Material Adverse Change (as defined below);
- (ii) all necessary Consents having been obtained and a limited intragroup reorganisation involving the entities holding the First Pacific Group's direct and indirect interests in each of PLDT and BLC, to facilitate the establishment of the joint venture arrangements, having been completed (unless waived by the party requiring it); and
- (iii) NTT Group of Companies ("NTT"), who are signatories to the PLDT Shareholders Agreement dated 24th March, 2000 with the First Pacific Group, not having exercised any right of first refusal or veto (if applicable) under the aforesaid Shareholders Agreement.

If the Gokongwei Group's due diligence investigation in relation to the Transaction reveals a material adverse change ("Material Adverse Change") in an aggregate amount of US\$50.0 million (HK\$390.0 million) or more in respect of the interests to be contributed to the joint venture arrangements from that shown in the applicable latest publicly available audited financial statements, the MOA provides for a price adjustment in the consideration to be paid by the Gokongwei Group in an amount to be agreed.

Expected Closing Date

Subject to the fulfilment of the conditions precedent referred to above, closing is expected to take place in the third quarter of 2002. Although it is the Company's intention to satisfy the conditions precedent and complete the limited intragroup reorganisation required to establish the joint venture arrangements in accordance with a timetable which will permit completion of the Transaction in the third quarter of 2002, shareholders are advised that there can be no assurance that the requisite consents and approvals required to satisfy the conditions precedent can be obtained, or the relevant reorganisation and other elements of the Transaction completed, within that timeframe or at all.

Determination of Consideration

The consideration was determined on the basis of arms' length negotiations between the Company and the Gokongwei Group, and bore reference to a combination of factors including earnings multiples, asset values and market comparisons.

The consideration attributed to the Company's direct and indirect attributable economic interest in PLDT is equivalent to approximately Pesos 1,140 (US\$22.4; HK\$175.0) per share of common stock of PLDT. This represents a 149 per cent. premium to the closing price of a share of PLDT common stock on the Philippine Stock Exchange of Pesos 457.5 (US\$9.0; HK\$70.2) on the date of this announcement and a 154 per cent. premium to the average closing price of Pesos 448 (US\$8.8; HK\$68.8) on the Philippine Stock Exchange of a share of common stock of PLDT for the 30 dealing days immediately preceding the date of this announcement.

The consideration attributed to the First Pacific Group's 50.4% secured interest in BLC is equivalent to approximately US\$105.0 million (HK\$819.0 million), being the amount outstanding in respect of the Larouge Loan.

Larouge Loan

Pursuant to a resolution of the shareholders of the Company passed at a special general meeting held on 11th April, 2001, an aggregate principal amount of US\$90.0 million (HK\$702.0 million) was advanced by Larouge, a wholly owned subsidiary of the Company, to the MPC Group under a facility agreement dated 26th March, 2001. As described in the Company's announcement dated 9th January, 2002, MPC was unable to repay the Larouge Loan when it finally became due and payable on 31st December, 2001.

Larouge is a secured creditor in respect of a 50.4 per cent. equity interest in BLC owned by MPC and, as referred to in the Company's 9th January, 2002 announcement, the Company as a secured creditor has been co-managing with MPC the on-going sale of MPC's 72.9 per cent. controlling shareholding in BLC. As part of the Transaction, the joint venture company to which Larouge's 50.4 per cent. interest in BLC is transferred will be required to pay the First Pacific Group an amount equal to the Larouge Loan and interest accrued thereon to the date of Closing, in three equal instalments payable on the first, second and third anniversary of Closing, respectively. After Closing, in addition to its other assets, MPC will continue to own 22.5 per cent of BLC.

Rationale for the Transaction

First Pacific was originally conceived as a public company that would actively manage its investments to enhance their value to shareholders. Following an extensive restructuring exercise in the late nineties, in response to the Asian economic crisis, First Pacific's investments are now largely listed businesses in the Philippines and Indonesia. In order to fund further growth and expansion at the First Pacific level and provide its shareholders with a return on their Philippine investments, First Pacific is seeking to monetise certain of these assets through a partial disposal. Accordingly, First Pacific is retaining a significant residual interest in and continuing influence over these market-leading franchises because the Company remains convinced that there is long term inherent value still to be realised in PLDT and BLC.

The Transaction would significantly enhance First Pacific's financial position as the Company would be able to return to being an active investor, and to return value to its shareholders. Moreover, the retained interest enables First Pacific, as an active long-term investor, to continue to participate in the management of its Philippine business interests, the future growth of which is to be achieved with a strong Philippine partner.

In this regard, the Gokongwei Group has an extensive and relevant history of business experience in the Philippines. The Gokongwei Group has indicated that it will be supportive both to PLDT's business development efforts as well as its on-going efforts with regard to cost controls and liability management.

With respect to BLC, the introduction of the Gokongwei Group as an additional and new real estate developer, will advance the expansion of the project, thereby expediting the attainment of critical mass that is essential to a project of the scale, ambition and magnitude of the Bonifacio Global City. In fact, the Gokongwei Group only recently has entered into a memorandum of understanding with FBDC to construct a six-hectare retail, residential and hotel complex at Bonifacio Global City.

Moreover, as the Transaction includes the settlement of MPC's outstanding obligations in respect of the Larouge Loan, thereby resulting in a US\$105.0 million (HK\$819.0 million) reduction in MPC's liabilities. The Transaction would enable MPC to focus its efforts on addressing its residual financing issues as it should provide an improved outlook for its remaining investments in the Bonifacio Global City, which would be further augmented by improvement in the Philippine property sector, thereby enhancing MPC's ability to conclude satisfactory arrangements with its creditors.

Use of Proceeds

The Transaction proceeds will be used by the Company to repay US\$187 million (HK\$1.5 billion) of debt; to make future investments and acquisitions (although none have been specifically identified as at the date of this announcement); and for general corporate purposes.

The board of directors of the Company intends to propose a dividend plan, for consideration and (if thought fit) approval by the Company's shareholders at a special general meeting to be convened. The Liem Investors, the principal shareholders of the Company, will undertake not to vote at the special general meeting in relation to the resolution to consider the proposed dividend plan, thereby giving the shareholders of the Company other than the Liem Investors the ability to approve or disapprove any proposed dividend arrangements.

Financial Effects of the Transaction on the First Pacific Group

The audited consolidated losses/profits before tax, minority interests and extraordinary items of the First Pacific Group for the two financial years ended 31st December, 2001 and 2000 were losses of US\$2,133.6 million (HK\$16.6 billion) and profits of US\$153.9 million (HK\$1.2 billion), respectively. The audited consolidated losses/profits attributable to shareholders for the two financial years ended 31st December, 2001 and 2000 were losses of US\$1,797.0 million (HK\$14.0 billion) and profits of US\$51.2 million (HK\$399.4 million), respectively. The audited consolidated shareholders' deficit/equity of First Pacific Group as at 31st December, 2001 and 2000 were a deficit of US\$191.2 million (HK\$1.5 billion) and equity of US\$369.5 million (HK\$2.9 billion), respectively.

Upon the completion of the Transaction, the First Pacific Group will record an unusual gain of approximately US\$200.0 million (HK\$1.6 billion), which represents the consideration of US\$616.6 million less the net asset value attributable to the interests in PLDT being disposed of, and its consolidated equity will increase by approximately US\$540.0 million (HK\$4.2 billion). In accordance with Hong Kong accounting standards, First Pacific will continue to equity account for PLDT's financial results following the completion of the Transaction. First Pacific will also equity account for BLC's financial results following completion but BLC's financial results will no longer be consolidated by First Pacific.

Post the Transaction, First Pacific's economic interests are: a 48.4 per cent. economic interest in Indofood; an 8.1 per cent. economic interest in PLDT; an attributable direct and indirect economic interest in BLC of 34.9 per cent., of which 16.8 per cent. interest is held directly; an 80.6 per cent. economic interest in MPC; a 49.0 per cent. economic interest in Escotel; and a 100.0 per cent. economic interest in Infrontier.

The principal source of head office income would be derived from the Company's investment in Indofood following the Transaction. Indofood accounted for 61 per cent. of the consolidated profit from operations of the First Pacific Group for the year ended 31st December, 2001.

Information in Relation to PLDT

PLDT is the principal supplier of domestic and international telecommunications services in the Philippines. Through its three principal business groups – fixed line, wireless, and information and communications technology – PLDT offers a diversified range of telecommunication services over its fibre optic backbone and fixed line, cellular and satellite networks.

First Pacific's average attributable direct and indirect shareholding in PLDT was 22.1 per cent. in 2000 and 24.5 per cent. in 2001. The consolidated net profits, before and after tax, as reported by PLDT for the years 2000 and 2001 and PLDT's shareholders' equity as at 31st December, 2000 and 2001 are detailed below.

<u>For the year ended 31st December, 2000</u>	<u>Pesos</u> <i>millions</i>	<u>US\$</u> <i>millions</i>	<u>HK\$</u> <i>millions</i>
Net profit before tax and extraordinary items*	796.5	17.8	139.1
Net loss after tax and extraordinary items*	(1,025.5)	(23.0)	(179.1)

As at 31st December, 2000

Shareholders' equity**	86,527.4	1,731.9	13,509.1
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* *Applied exchange rate: Pesos 44.67 = US\$1 = HK\$7.8*

** *Applied exchange rate: Pesos 49.96 = US\$1 = HK\$7.8*

<u>For the year ended 31st December, 2001</u>	<u>Pesos</u> <i>millions</i>	<u>US\$</u> <i>millions</i>	<u>HK\$</u> <i>millions</i>
Net profit before tax and extraordinary items ⁺	2,877.3	56.4	439.7
Net profit after tax and extraordinary items ⁺	1,657.4	32.5	253.3

As at 31st December, 2001

Shareholders' equity ⁺⁺	88,627.6	1,717.6	13,397.2
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⁺ *Applied exchange rate: Pesos 51.04 = US\$1 = HK\$7.8*

⁺⁺ *Applied exchange rate: Pesos 51.60 = US\$1 = HK\$7.8*

Information in Relation to BLC

MPC holds a controlling 72.9 per cent. shareholding in BLC. BLC, in turn, holds a 55.0 per cent. interest in FBDC, which is a joint venture project with the Philippine Government that commenced, in 1995, the re-development of a 155-hectare portion of a new Metro Manila central business district (namely the "Bonifacio Global City"), that previously was a Philippine military base.

First Pacific's average attributable direct and indirect shareholding in BLC was 53.4 per cent. in 2000 and 54.8 per cent. in 2001. BLC's net profits, before and after tax, for the years 2000 and 2001 and BLC's shareholders' equity as at 31st December, 2000 and 2001 are detailed below.

<u>For the year ended 31st December, 2000</u>	Pesos <i>millions</i>	US\$ <i>millions</i>	HK\$ <i>millions</i>
Net profit before tax and extraordinary items*	2.4	0.1	0.4
Net profit after tax and extraordinary items*	2.4	0.1	0.4

As at 31st December, 2000

Shareholders' equity**	26,873.3	537.9	4,195.6
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* *Applied exchange rate: Pesos 44.67 = US\$1 = HK\$7.8*

** *Applied exchange rate: Pesos 49.96 = US\$1 = HK\$7.8*

<u>For the year ended 31st December, 2001</u>	Pesos <i>millions</i>	US\$ <i>millions</i>	HK\$ <i>millions</i>
Net loss before tax and extraordinary items ⁺	(6,608.2)	(129.5)	(1,009.9)
Net loss after tax and extraordinary items ⁺	(6,608.2)	(129.5)	(1,009.9)

As at 31st December, 2001

Shareholders' equity ⁺⁺	21,144.8	409.8	3,196.3
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+ *Applied exchange rate: Pesos 51.04 = US\$1 = HK\$7.8*

++ *Applied exchange rate: Pesos 51.60 = US\$1 = HK\$7.8*

Information in Relation to the Gokongwei Group

The Gokongwei Group will form appropriate entities to act as the joint venture partners. 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 (as defined in the Rules Governing the Listing of Securities on the Stock Exchange).

Shareholders Agreements

The Company and the Purchaser will enter into shareholders agreements, in terms to be agreed, relating to the management and operation of the joint venture companies, PLDT, BLC and their respective subsidiaries.

Under the shareholders agreements, the First Pacific Group and the Gokongwei Group will be entitled to representation on the boards of directors or other governing bodies of the joint venture companies, PLDT, BLC and their respective subsidiaries commensurate with their respective interests in the joint venture companies. The shareholders agreements will also contain customary minority protections.

Major Transaction

The Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, completion of the Transaction is conditional upon approval by the shareholders of the Company at a special general meeting of the Company to be convened. Following the signing of the Formal Agreements, a circular setting out further details of the Transaction and convening the special general meeting of the Company required to consider and approve the terms of the Transaction will be prepared and sent to shareholders. The circular will include a recommendation to the Company's shareholders from the board of directors of the Company, who have retained Credit Suisse First Boston and ING Bank N.V., as joint financial advisors, to advise the board as to the merits of the Transaction.

Safeguards Established to Deal With Potential Conflicts of Interests

Appropriate steps have been taken by the board of directors of the Company to put in place the necessary safeguards in respect of any potential conflicts of interest arising from directors and other officers of the Company also holding office in other members of the First Pacific Group involved in the Transaction, such that any director or officer of the Company, including Executive Chairman Manuel V. Pangilinan, who has or may potentially have a conflict of interest in this regard is not involved in the consideration of the Transaction by the board of directors of the Company, will only be entitled to receive publicly available information in relation to the Transaction and will not be privy to confidential information in relation to the Transaction.

Trading in the Shares of First Pacific

Trading in First Pacific's shares on the Stock Exchange was suspended at 9:30 a.m. on 5th June, 2002 at the request of the Company pending the release of this announcement. An application will be made for trading in First Pacific's shares to recommence at 9:30 a.m. on 6th June, 2002.

Investors are advised to exercise caution when dealing in the shares of the Company.

Definitions

“BLC”	Bonifacio Land Corporation, a corporation established under the laws of the Republic of the Philippines and in which MPC has a controlling 72.9 per cent. shareholding;
“Company” or “First Pacific”	First Pacific Company Limited;
“Consents”	all agreements, consents, approvals, rights and authorizations of any kind from any entity whatsoever, as the case may be for either the First Pacific Group or the Gokongwei Group, which may be required for the consummation of the Transaction or which may be required to ensure that such consummation does not constitute a breach of, or give rise to the exercise of any rights under, any

agreement or other instrument (including, without limiting the generality of the foregoing, any rights of acceleration, pre-emption, first offer or refusal);

“Escotel”	Escotel Mobile Communications Limited, which is based in New Delhi and provides GSM cellular telephone services in Uttar Pradesh (West), Haryana and Kerala. The First Pacific Group holds a 49.0 per cent attributable economic interest in Escotel and, accordingly, Escotel is accounted for as an associated company of First Pacific;
“FBDC”	Fort Bonifacio Development Corporation, a corporation established under the laws of the Republic of the Philippines and in which BLC has an attributable economic interest of 55.0 per cent.;
“First Pacific Group”	the Company, its subsidiaries, affiliates and associated companies;
“Formal Agreements”	the further documentation containing the detailed terms and conditions of the Transaction to be entered into between, inter alia, the Company and the Gokongwei Group in relation to the Transaction;
“Gokongwei Group”	the Gokongwei family and their related companies and other business entities including, without limiting the generality of the foregoing, JG Summit Holdings, Inc.;
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Indofood”	P.T. Indofood Sukses Makmur Tbk, which is based in Jakarta and listed on the Jakarta and Surabaya Stock Exchanges, and is Indonesia’s leading processed-foods group. The First Pacific Group holds a 48.4 per cent attributable economic interest in Indofood, which is accounted for as a subsidiary of the Company;
“Infrontier”	Infrontier Limited, a wholly-owned subsidiary of First Pacific, which is headquartered in Hong Kong and is a business solutions provider offering supply chain management and wireless applications in hosted and traditional environments;
“Larouge”	Larouge B.V., a company incorporated under the laws of the Netherlands and a wholly owned subsidiary of the Company;
“Larouge Loan”	the short term loan facility in an aggregate principal amount of US\$90.0 million (HK\$702.0 million) advanced to MPC by Larouge under a facility agreement dated 26th March, 2001;

“Liem Investors”	members of the Salim, Djuhar, Sudwikatmono and Risjad families (including Messrs. Sutanto Djuhar, Tedy Djuhar, Ibrahim Risjad and Anthoni Salim, all of whom are non-executive directors of First Pacific) and companies controlled by them;
“MPC”	Metro Pacific Corporation, a corporation established under the laws of the Republic of the Philippines and the shares of which are listed on the Philippine Stock Exchange; and in which the First Pacific Group has an aggregate direct and indirect attributable economic interest of approximately 80.6 per cent.;
“MOA”	the memorandum of agreement dated 4th June, 2002 entered into between the Company and the Gokongwei Group in relation to the Transaction;
“Pesos”	the lawful currency of the Philippines;
“PLDT”	Philippine Long Distance Telephone Company, a corporation established under the laws of the Republic of the Philippines and the shares of which are listed on the Philippine Stock Exchange; and in which the First Pacific Group has an aggregate direct and indirect attributable economic interest of approximately 24.4 per cent. and a voting interest of approximately 31.5 per cent.;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transactions described in this announcement; and
“US\$”	United States Dollars, the lawful currency of the United States of America.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80 = Pesos 50.82. Percentages, and figures expressed in billions and millions, have been rounded.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Ronald A. Brown
Executive Director and Company Secretary

Hong Kong, 5th June, 2002

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