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## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

### **ACQUISITION BY PHILIPPINE LONG DISTANCE TELEPHONE COMPANY OF ADDITIONAL SPECTRUM**

Disclosure filed by PLDT with the Philippine Stock Exchange relating to the receipt by PLDT of notices from the Philippine Competition Commission in relation to the treatment of the Spectrum Holding Companies acquisitions (announced by PLDT and the Company on 30 May 2016) under the Philippine Competition Act and related Circulars issued by the Commission; and the response submitted to the Commission by PLDT.

The Company refers to its announcements dated 30 May 2016, which announced the entry into of agreements relating to the acquisition by PLDT and Globe, on a 50:50 basis, of the Spectrum Holding Companies and that closing under those agreements had occurred. The Spectrum Holding Companies hold a portfolio of spectrum frequencies in the Philippines.

Unless defined herein or the context otherwise requires, capitalised terms and expressions used in this announcement have the respective meanings given to them in the Company's 30 May 2016 announcements.

In a disclosure filed by PLDT with the Philippine Stock Exchange on 13 June 2016 ("**PLDT Disclosure**"), PLDT disclosed that notices of the acquisitions of the Spectrum Holding Companies ("**Notices**") were submitted to the Philippine Competition Commission ("**Commission**") on 30 May 2016, pursuant to the Philippine Competition Act ("**PCA**") and relevant circulars issued by the Commission ("**Circulars**"). As set forth in the PLDT Disclosure, the Notices stated that, in accordance with the Circulars, each of the acquisition transactions in respect of the Spectrum Holding Companies ("**Transactions**") would be deemed approved in accordance with the Circulars.

The PLDT Disclosure discloses that PLDT and the other relevant parties to the Transactions recently received separate letters from the Commission which essentially state the Commission's determination that: (a) with respect to the acquisition of Vega Telecom, Inc., the Notice submitted is deficient, the acquisition of Vega Telecom, Inc. is not "deemed approved" by the Commission, the missing key terms of the transaction are critical and the Commission considers certain agreements as prohibited or illegal; and (b) with respect to the acquisition of Bow Arken Holding Company and Brightshare Holdings, Inc., the compulsory notification under the Circulars does not apply and even assuming the Circulars apply, the Notices submitted in respect of the acquisition of Bow Arken Holding Company and Brightshare Holdings, Inc. are deficient.

The PLDT Disclosure further discloses that, on 10 June 2016, PLDT submitted its response to the Commission's letter articulating PLDT's position that the Notice submitted by it in relation to the acquisition of Vega Telecom, Inc. is adequate, complete, sufficient and compliant with the requirements under the Circulars, and does not contain any false material information; as such, the acquisition of Vega Telecom, Inc. enjoys the benefit of Section 23 of the PCA, is deemed approved and cannot be subject to retroactive review by the Commission.

PLDT further disclosed that the parties have taken all necessary steps to ensure that the acquisition of Vega Telecom, Inc. will not substantially prevent, restrict or lessen competition and will not violate the PCA. In this regard, PLDT disclosed that each of PLDT and Globe have caused the Spectrum Holding Companies to relinquish certain frequencies in the 700 MHz, 850 MHz, 2500 MHz and 3500 MHz bands and return those frequencies to the NTC. PLDT commented that the returned frequencies, together with the frequencies already held by the NTC, allow for a third party operator to enter the market.

The PLDT Disclosure notes that co-use arrangements in relation to certain frequency bands retained by the Spectrum Holding Companies have been agreed and that both the co-use arrangement and the return of certain frequencies were approved by the NTC, which has regulatory and supervisory powers over the parties to the Transactions. PLDT commented in the PLDT Disclosure that in approving the co-use arrangement, the NTC gave effect to the declared national policy that "government shall allocate the spectrum to service providers who will use it efficiently and effectively to meet public demand for telecommunications service" and that government "may avail of new and cost effective technologies in the use of methods for its utilization".

The PLDT Disclosure states that, notwithstanding PLDT's belief in the strength and merits of PLDT's position that the Transactions are deemed approved and not subject to retroactive review by the Commission, PLDT has, as a gesture of good faith and in the spirit of cooperation, voluntarily submitted to the Commission certain agreements pertaining to the Transactions, for their information and reference, subject to confidentiality.

The Company will make such further announcements as may be required by the Listing Rules and/or the continuing disclosure provisions of Part XIVA of the SFO in relation to this matter.

By Order of the Board  
**First Pacific Company Limited**  
**Manuel V. Pangilinan**  
*Managing Director and CEO*

Hong Kong, 13 June 2016

As at the date of this announcement, the board of directors of the Company comprises the following directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*  
Edward A. Tortorici  
Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*  
Benny S. Santoso  
Tedy Djuhar  
Napoleon L. Nazareno

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*  
Margaret Leung Ko May Yee, *SBS, JP*  
Philip Fan Yan Hok  
Madeleine Lee Suh Shin