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## **FIRST PACIFIC COMPANY LIMITED**

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

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

**(Stock Code: 00142)**

### **(1) MAJOR ACQUISITION – THE ACQUISITION BY BEACON ELECTRIC ASSET HOLDINGS, INC. OF SHARES IN MANILA ELECTRIC COMPANY FROM PILIPINO TELEPHONE CORPORATION AND THE SUBSCRIPTION OF NEW SHARES IN BEACON ELECTRIC ASSET HOLDINGS, INC. BY PILIPINO TELEPHONE CORPORATION**

### **(2) MAJOR ACQUISITION – ACQUISITION OF 74,700,000 SHARES IN MANILA ELECTRIC COMPANY BY BEACON ELECTRIC ASSET HOLDINGS, INC. IF BEACON ELECTRIC ASSET HOLDINGS, INC. WERE TO EXERCISE A CALL OPTION GRANTED TO BEACON ELECTRIC ASSET HOLDINGS, INC.**

Reference is made to the circular of First Pacific Company Limited (the “**Company**” or “**First Pacific**”) dated 13 March 2010 (“**Circular**”). Unless otherwise defined or the context otherwise requires, capitalised terms referred to herein shall have the meanings given to them in the Circular.

First Pacific wishes to update its Shareholders that, as contemplated under page 15 of the Circular, the respective boards of directors of MPIC and Beacon Electric have today resolved that subject to the approval of the Shareholders of the Company being obtained on 30 March 2010, Beacon Electric shall exercise the Call Option on 30 March 2010.

In connection with the exercise of the Call Option, the Company has disclosed on page 17 of the Circular that in the event that the Call Option were exercised, the exercise price of the Call Option would be partly funded by a fixed term bank loan of 10 years in the amount of up to PhP18 billion (equivalent to approximately US\$389.6 million and approximately HK\$3,039.0 million) (“**Loan**”) to be provided to Beacon Electric.

Beacon Electric had previously entered into a term sheet with a syndicate of banks in respect of the Loan which is subject to contract and subject to certain internal approvals having been obtained. The Company is pleased to update its Shareholders that Beacon Electric entered into an PhP18 billion (equivalent to approximately US\$389.6 million and approximately HK\$3,039.0 million) Ten-Year Corporate Notes Facility Agreement with First Metro Investment Corporation and PNB Capital & Investment Corporation as Joint Lead Arrangers and various Philippine financial institutions referred to in the facility agreement as Noteholders. The facility agreement is subject to the Company's Shareholders approving the exercise of the Call Option.

Also as referred to on page 17 of the Circular, the remainder of the funding for the exercise of the Call Option will be financed by way of a subscription by MPIC of additional preferred shares in Beacon Electric as part of the MPIC-Beacon Electric Subscription. To enable MPIC to provide the funding to Beacon Electric, MPHI and MPIC had previously entered into the CB Term Sheet (disclosed also on pages 17 and 18 of the Circular), pursuant to which MPIC can (by a "drawdown notice" given by MPIC to MPHI at any time during the Call Option exercise period) require MPHI to subscribe an aggregate amount of up to PhP6.6 billion (equivalent to approximately US\$142.9 million and approximately HK\$1,114.3 million) of Convertible Bonds to be issued by MPIC. The Company is pleased to update its Shareholders that MPIC and MPHI have entered into a subscription agreement ("CB Subscription Agreement") to formalise the subscription of the Convertible Bonds. The principal terms of the Convertible Bonds under the CB Subscription Agreement are materially the same as those set out on pages 17 and 18 of the Circular. The CB Subscription Agreement is subject to the Company's Shareholders approving the exercise of the Call Option.

If Shareholders' approval of the major transactions contemplated in the Circular is obtained at the SGM, it is intended that the major transactions contemplated in the Circular will proceed shortly thereafter. The Company will update Shareholders by announcement once the transactions are completed.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

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

Hong Kong, 23 March 2010

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Php46.2 = HK\$7.8. Percentages and figures expressed in millions have been rounded.*

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

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

Sir David W.C. Tang\*, *KBE*

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles\*

Prof. Edward K.Y. Chen\* *GBS, CBE, JP*

Jun Tang\*

\* *Independent Non-executive Directors*