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FIRST PACIFIC COMPANY LIMITED

(incorporated in Bermuda with limited liability)

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

(Stock Code: 00142)

Issue of US\$300,000,000 7.375% Guaranteed Secured Bonds due 2017 by FPMH Finance Limited irrevocably and unconditionally guaranteed by First Pacific Company Limited

The Board is pleased to announce that on 16 July 2010, the Company, the Issuer and the Lead Manager entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Lead Manager, and the Lead Manager has agreed to subscribe for the Bonds in an aggregate principal amount of US\$300,000,000 (equivalent to approximately HK\$2,340,000,000) at the issue price of 100.0%. The Bonds will be unconditionally and irrevocably guaranteed by the Company and will have the benefit of security, including MPIC Shares.

None of the Bonds will be offered to the public in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

The Offering Circular to be distributed to prospective investors of the Bonds will contain certain financial and other information relating to the Company and MPIC.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed “Subscription Agreement” below for further information.

As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

Approval-in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Company or the Bonds. The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

INTRODUCTION

The Board is pleased to announce that on 16 July 2010, the Company, the Issuer and the Lead Manager entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Lead Manager, and the Lead Manager has agreed to subscribe for the Bonds in an aggregate principal amount of US\$300,000,000 (equivalent to approximately HK\$2,340,000,000) at the issue price of 100.0%. The Bonds will be unconditionally and irrevocably guaranteed by the Company.

The Offering Circular to be distributed to prospective investors of the Bonds will contain certain financial and other information relating to the Company and MPIC.

SUBSCRIPTION AGREEMENT

Parties:	Issuer:	FPMH Finance Limited.
	Guarantor:	First Pacific Company Limited.
	Lead Manager:	Crédit Agricole Corporate and Investment Bank.

Subscription: The Lead Manager has conditionally agreed to subscribe for the Bonds in an aggregate principal amount of US\$300,000,000.

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. None of the Bonds will be offered to the public in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

Conditions precedent: The obligations of the Lead Manager under the Subscription Agreement are conditional upon, among other things: (i) the execution and delivery on or before the Closing Date of certain transaction documents by the respective parties; (ii) the SGX-ST having agreed to list the Bonds or the Lead Manager being satisfied that such listing will be granted shortly after the Closing Date; and (iii) the Company procuring certain legal opinions, auditors' comfort letters, compliance certificates and other relevant documents to be delivered to the Lead Manager.

All the conditions may be waived in whole or in part at the discretion of the Lead Manager.

Completion: Subject to all the conditions of the Subscription Agreement being fulfilled or waived by the Lead Manager and the Subscription Agreement not being terminated, including pursuant to force majeure, completion of the issue of the Bonds is expected to take place on the Closing Date.

Stabilisation: Stabilisation, if any, will be undertaken in accordance with the rules of the Financial Services Authority of the United Kingdom.

As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer: FPMH Finance Limited.

Guarantor: First Pacific Company Limited.

Bonds Offered: Aggregate principal amount of US\$300,000,000 7.375% Guaranteed Secured Bonds due 2017.

Guarantee: Payment of all sums from time to time payable in respect of the Bonds is irrevocably and unconditionally guaranteed by the Company.

Issue Price: 100.0%.

Maturity Date: 24 July 2017.

Interest: The Bonds will bear interest from 23 July 2010 at the rate of 7.375% per annum, payable semi-annually in arrear, except that the first payment of interest, to be made on 24 January 2011, will be in respect of the period from and including 23 July 2010 to but excluding 24 January 2011 and will amount to US\$37.08 per US\$1,000 in principal amount of Bonds.

Security: The Bonds will be secured by:

- (i) a pledge by MPHI, initially of MPIC Shares with an aggregate value, based on the Market Value (as defined in the Terms and Conditions) of each MPIC Share as at the Closing Date, of at least 200% of the principal amount of the Bonds*; and
- (ii) an amount of cash to be used for the payment of interest on the Bonds (initially 12 months' interest, and 6 months' interest after the first interest payment date).

From time to time such collateral may be required pursuant to the Terms and Conditions to be topped up with Additional MPIC Collateral and/or cash or other cash-equivalent securities.

* *Based on the Market Value of each MPIC Share of US\$0.0581 (equivalent to approximately HK\$0.4532) as at the date of the Offering Circular), the number of MPIC Shares to be pledged would be approximately 10.33 billion shares.*

Covenants: The Issuer and the Company have agreed to certain covenants, including a negative pledge with respect to the Issuer and a restriction on disposals of assets of the Company (subject to certain exceptions as set out in the Terms and Conditions).

Tax Redemption: The Bonds may be redeemed at 100% of the principal amount thereof, plus accrued and unpaid interest, as a result of certain developments affecting taxation in the British Virgin Islands, Bermuda or Hong Kong.

Change of Control: The Bonds may be redeemed at any time following the occurrence of a Change of Control (as defined in the Terms and Conditions), at the option of the bondholder, at 101% of the principal amount thereof, plus accrued and unpaid interest.

Delisting: The Bonds may be redeemed at any time following the occurrence of a Delisting (as defined in the Terms and Conditions) at the option of the bondholder, at 100% of the principal amount thereof, plus accrued and unpaid interest, except where the Delisting is at the request of the Company.

Governing Law: English Law.

Listing: Approval-in-principle has been received for the listing and quotation of the Bonds on the SGX-ST.

The complete Terms and Conditions are contained in the Offering Circular, which will be available on the website of the SGX-ST after the Closing Date.

REASON FOR THIS TRANSACTION

The Directors believe that the proposed issue of Bonds will be beneficial to the Company as it forms part of its refinancing and overall debt management programme. The net proceeds from the issue of the Bonds will be used for repayment of borrowings and would enable the Company to accomplish a variety of goals, including diversifying its sources of funding and lengthening its debt maturity profile.

USE OF PROCEEDS

The net proceeds of the offering of the Bonds, after deducting underwriting commissions and other expenses, are estimated to be approximately US\$294.5 million (equivalent to approximately HK\$2,297.1 million). The net proceeds will be on-lent by the Issuer to the Company who will use the net proceeds primarily for the repayment of its outstanding debts.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

“Additional MPIC Collateral”	The Peso 6.6 billion 4.5% convertible bonds due 2013 issued by MPIC and/or additional MPIC Shares.
“Board”	The board of Directors.
“Bonds”	US\$300,000,000 7.375% Guaranteed Secured Bonds due 2017 to be issued by the Issuer and irrevocably and unconditionally guaranteed by the Guarantor.
“Closing Date”	23 July 2010 or such later date, not being later than 6 August 2010, as the Issuer and the Lead Manager may agree.
“Company” or “Guarantor”	First Pacific Company Limited, an exempt company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited.
“Director(s)”	The director(s) of the Company.

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong.
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China.
“Issuer”	FPMH Finance Limited, a limited liability company incorporated in the British Virgin Islands.
“Lead Manager”	Crédit Agricole Corporate and Investment Bank.
“MPHI”	Metro Pacific Holdings, Inc., a corporation established under the laws of the Philippines.
“MPIC”	Metro Pacific Investments Corporation, a corporation established under the laws of the Philippines, the shares of which are listed on the Philippine Stock Exchange.
“MPIC Shares”	Shares of common stock in MPIC.
“Offering Circular”	The offering circular dated 16 July 2010 issued by the Issuer in connection with the issue of Bonds.
“Securities Act”	U.S. Securities Act of 1933, as amended.
“Subscription Agreement”	The subscription agreement dated 16 July 2010 between the Company, the Issuer and the Lead Manager relating to the subscription and offering of the Bonds.
“SGX-ST”	Singapore Exchange Securities Trading Limited.
“Terms and Conditions”	The terms and conditions of the Bonds.
“US\$”	United States dollar, the lawful currency of the United States.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 16 July 2010

In this announcement, all translations from US\$ into HK\$ have been made at the rate of US\$1.00 to HK\$7.80.

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

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles*

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

Jun Tang*

* *Independent Non-executive Directors*