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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)

Issue of US\$400,000,000 6.375% Guaranteed Secured Bonds due 2020 by FPT Finance Limited irrevocably and unconditionally guaranteed by First Pacific Company Limited

The Board is pleased to announce that on 20 September 2010, the Company, the Issuer and the Joint Lead Managers entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally and not jointly subscribe for the Bonds in an aggregate principal amount of US\$400,000,000 (equivalent to approximately HK\$3,120,000,000) 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 PLDT 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 PLDT.

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.

Application has been made 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 20 September 2010, the Company, the Issuer and the Joint Lead Managers entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally and not jointly subscribe for the Bonds in an aggregate principal amount of US\$400,000,000 (equivalent to approximately HK\$3,120,000,000) 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 PLDT.

SUBSCRIPTION AGREEMENT

Parties: Issuer: FPT Finance Limited.
Guarantor: First Pacific Company Limited.
Joint Lead Managers: Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank.

Subscription: The Joint Lead Managers have conditionally agreed to severally and not jointly subscribe for the Bonds in an aggregate principal amount of US\$400,000,000 (equivalent to approximately HK\$3,120,000,000).

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 Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers.

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

Completion: Subject to all the conditions of the Subscription Agreement being fulfilled or waived by the Joint Lead Managers 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: FPT Finance Limited.

Guarantor: First Pacific Company Limited.

Bonds Offered: Aggregate principal amount of US\$400,000,000 6.375% Guaranteed Secured Bonds due 2020.

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: 28 September 2020.

- Interest:** The Bonds will bear interest from 28 September 2010 at the rate of 6.375% per annum, payable semi-annually in arrear on 28 March and 28 September of each year.
- Security:** The Bonds will be secured by a pledge by PTIC, initially of PLDT Shares with an aggregate value, based on the United States dollar Market Value (as defined in the Terms and Conditions) of each PLDT Share as at the Closing Date, of at least 200% of the principal amount of the Bonds*.
- From time to time such collateral may be required pursuant to the Terms and Conditions to be topped up with Additional PLDT Collateral and/or other cash or cash-equivalent securities.
- * Based on the United States dollar Market Value of each PLDT Share of approximately US\$58 (equivalent to approximately HK\$452.4) as at 20 September 2010, the number of PLDT Shares to be pledged would be approximately 13.8 million.*
- Covenants:** The Issuer and the Guarantor 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) except where the Delisting is at the request of the Company, at the option of the bondholder, at 100% of the principal amount thereof, plus accrued and unpaid interest.
- Governing Law:** English Law.
- Listing:** Application has been made 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 at least US\$250 million (equivalent to approximately HK\$1,950 million) 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 payable by the Company, are estimated to be approximately US\$394.8 million (equivalent to approximately HK\$3,079.4 million). The net proceeds will be on-lent by the Issuer to the Company who will use the net proceeds for the repayment of at least US\$250 million (equivalent to approximately HK\$1,950 million) of its outstanding debt and for general corporate purposes.

DEFINITIONS

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

“Additional PLDT Collateral”	Additional PLDT Shares.
“Board”	The board of Directors.
“Bonds”	US\$400,000,000 6.375% Guaranteed Secured Bonds due 2020 to be issued by the Issuer and irrevocably and unconditionally guaranteed by the Guarantor.
“Closing Date”	28 September 2010 or such later date, not being later than 12 October 2010, as the Issuer and the Joint Lead Managers 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”	FPT Finance Limited, a limited liability company incorporated in the British Virgin Islands.
“Joint Lead Managers”	Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank.
“Offering Circular”	The offering circular dated 20 September 2010 issued by the Issuer in connection with the issue of Bonds.
“PLDT”	Philippine Long Distance Telephone Company, a corporation established under the laws of the Philippines, the shares of which are listed on the Philippine Stock Exchange and American Depositary Receipts listed on the New York Stock Exchange.
“PLDT Shares”	Shares of common stock in PLDT.
“PTIC”	Philippine Telecommunications Investment Corporation, a corporation established under the laws of the Philippines.
“Securities Act”	U.S. Securities Act of 1933, as amended.
“Subscription Agreement”	The subscription agreement dated 20 September 2010 between the Company, the Issuer and the Joint Lead Managers 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, 20 September 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*