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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)

ANNOUNCEMENT UNDER RULE 13.09(1) OF THE LISTING RULES AND DISCLOSEABLE TRANSACTION AND RESUMPTION OF TRADING

PLDT AGREES TO PURCHASE APPROXIMATELY 51.55% OF DIGITAL TELECOMMUNICATIONS PHILIPPINES, INC., TOGETHER WITH CERTAIN CONVERTIBLE BONDS AND ADVANCES AND WILL ANNOUNCE LATER AN INTENTION TO CONDUCT A TENDER OFFER FOR THE REMAINING SHARES OF DIGITAL TELECOMMUNICATIONS PHILIPPINES, INC. HELD BY THE PUBLIC

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 29 March 2011, PLDT (a major operating associate of the Group) entered into the Sale and Purchase Agreement with the Sellers, pursuant to which PLDT has agreed to purchase from the Sellers:

- (a) the Sales Shares, representing, approximately 51.55% of the issued and outstanding common stock of Digitel;
- (b) the zero-coupon convertible bonds due in 2013 and 2014 issued by Digitel and its subsidiaries which are assumed to be convertible into approximately 18.6 billion Digitel Shares by 30 June 2011 (“**Convertible Bonds**”); and
- (c) Php 34.1 billion (equivalent to approximately US\$785.6 million or HK\$6.1 billion) in principal amount of advances due from Digitel and/or its subsidiaries to JGS.

The consideration payable by PLDT under the Sale and Purchase Agreement to acquire the assets described above is an aggregate amount of Php 69.2 billion (equivalent to approximately US\$1.59 billion or HK\$12.4 billion), to be satisfied in its entirety by the issue by PLDT of new PLDT Shares at the rate of one new PLDT Share for each Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) of the consideration payable under the Sale and Purchase Agreement.

PLDT will announce later its intention to conduct a Tender Offer, being a mandatory tender offer for all the remaining Digitel Shares held by the public shareholders of Digitel (who hold, in aggregate, approximately 48.45% of the issued common stock of Digitel) to purchase their Digitel Shares. PLDT is required to make the Tender Offer as a result of the purchase of Digitel Shares to be made under the Sale and Purchase Agreement. Under the Tender Offer, it is anticipated that PLDT will offer to purchase Digitel Shares at the price of Php 1.60 (equivalent to approximately US\$0.037 and HK\$0.29) per Digitel Share, to be satisfied by the issue of new PLDT Shares with each new PLDT Share being attributed a value of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3), with an alternative for Digitel's public shareholders to elect to receive cash in lieu of the new PLDT Shares.

THE OPTION AGREEMENT

On 29 March 2011, MPRI (a Philippine affiliate of the Company) entered into an Option Agreement with JGS (being one of the Sellers under the Sale and Purchase Agreement) which is conditional upon Closing of the Sale and Purchase Agreement and shall only come into effect on the date of Closing of the Sale and Purchase Agreement.

Subject to and in accordance with the terms of the Option Agreement, JGS will grant the Call Option to MPRI which would give MPRI the right to purchase all (but not part only) of the Option Shares from JGS, and MPRI will grant the Put Option to JGS which would give JGS the right to require MPRI to purchase all (but not part only) of the Option Shares from JGS.

LISTING RULES IMPLICATIONS

In relation to the Option Agreement entered into by MPRI, one or more of the percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 5% but none of them exceeds 25%. Accordingly, the entering into by MPRI of the Option Agreement, which is conditional upon Closing of the Sale and Purchase Agreement, constitutes a discloseable transaction for the Company under the Listing Rules.

PLDT is an associated company of the Group. The information relating to PLDT entering into the Sale and Purchase Agreement is disclosed pursuant to Rule 13.09(1) of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company was suspended with effect from 1:30 p.m. on 29 March 2011 pending the release of this announcement. Application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company from 9:00 a.m. on Wednesday, 30 March 2011.

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 29 March 2011, PLDT (a major operating associate of the Group) entered into the Sale and Purchase Agreement with the Sellers, pursuant to which PLDT has agreed to purchase from the Sellers:

- (a) the Sale Shares, representing, approximately 51.55% of the issued and outstanding common stock of Digitel;
- (b) the zero-coupon convertible bonds due in 2013 and 2014 issued by Digitel and its subsidiaries which are assumed to be convertible into approximately 18.6 billion Digitel Shares by 30 June 2011 (“**Convertible Bonds**”); and
- (c) Php 34.1 billion (equivalent to approximately US\$785.6 million or HK\$6.1 billion) in principal amount of advances due from Digitel and/or its subsidiaries to JGS.

The consideration payable by PLDT under the Sale and Purchase Agreement to acquire the assets described above is an aggregate amount of Php 69.2 billion (equivalent to approximately US\$1.59 billion or HK\$12.4 billion), to be satisfied in its entirety by the issue by PLDT of new PLDT Shares at the rate of one new PLDT Share for each Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) of the consideration payable under the Sale and Purchase Agreement. Accordingly, the consideration payable by PLDT under the Sale and Purchase Agreement will be satisfied by the issue of 27.68 million new PLDT Shares. The Consideration Shares represent approximately 12.91% of the issued shares of common stock of PLDT as enlarged by the allotment and issue of the Consideration Shares or approximately 12.79% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer (details of which are provided below).

PLDT will announce later its intention to conduct a Tender Offer, being a mandatory tender offer for all the remaining Digitel Shares held by the public shareholders of Digitel (who hold, in aggregate, approximately 48.45% of the issued common stock of Digitel) to purchase their Digitel Shares. PLDT is required to make the Tender Offer as a result of the purchase of Digitel Shares to be made under the Sale and Purchase Agreement. Under the Tender Offer, it is anticipated that PLDT will offer to purchase Digitel Shares at the price of Php 1.60 (equivalent to approximately US\$0.037 and HK\$0.29) per Digitel Share, to be satisfied by the issue of new PLDT Shares with each new PLDT Share being attributed a value of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3), with an alternative for Digitel’s public shareholders to elect to receive cash in lieu of the new PLDT Shares. The tender offer price will be equivalent to the fully diluted price per share of Digitel, assuming full conversion of the Convertible Bonds. If all the public shareholders of Digitel accept the offer by PLDT, the total transaction consideration would be Php 74.1 billion (equivalent to approximately US\$1.7 billion or HK\$13.3 billion). If all the public shareholders of Digitel accept the offer by PLDT and elect to receive new PLDT Shares in exchange for their Digitel Shares, PLDT would issue a total of 29.65 million new PLDT Shares in aggregate, for both the

acquisition of the assets under the Sale and Purchase Agreement (as described above) and the acquisition of the remaining Digitel Shares held by the public shareholders of Digitel under the Tender Offer. These new PLDT Shares would represent approximately 13.7% of the enlarged issued shares of common stock of PLDT on a fully diluted basis.

THE OPTION AGREEMENT

On 29 March 2011, MPRI (a Philippine affiliate of the Company) entered into an Option Agreement with JGS (being one of the Sellers under the Sale and Purchase Agreement) which is conditional upon Closing of the Sale and Purchase Agreement and shall only come into effect on the date of Closing of the Sale and Purchase Agreement (the “**Effective Date**”). If the Closing does not occur by 31 December 2011, the Option Agreement shall automatically terminate without liability for either party.

The terms of the Option Agreement are as follows:

(a) Parties

MPRI and JGS (being one of the Sellers under the Sale and Purchase Agreement). To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, JGS and the ultimate beneficial owner of JGS are third parties independent of the Company and connected persons of the Company.

(b) The Call Option and Put Option

The Call Option and Put Option

Subject to and in accordance with the terms of the Option Agreement, JGS will grant the Call Option to MPRI which would give MPRI the right to purchase all (but not part only) of the Option Shares from JGS, and MPRI will grant the Put Option to JGS which would give JGS the right to require MPRI to purchase all (but not part only) of the Option Shares from JGS.

The number of Option Shares under the Call Option and the Put Option to be purchased by MPRI shall constitute 2.71% of the issued and outstanding common stock of PLDT, as enlarged by the allotment and issue of the Consideration Shares or 2.69% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer.

Exercise of the Call Option and Put Option and exercise price

Both the Call Option and the Put Option are exercisable by the service of a written notice to the other party at any time during the 30-day period from the day of listing of the Option Shares on the PSE. The exercise price payable by MPRI for the purchase of the Option Shares from JGS upon MPRI exercising the Call Option or upon JGS exercising the Put Option shall be an US\$ amount equivalent to Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) per Option Share or approximately Php 14.5 billion (equivalent to approximately US\$334.7 million or HK\$2.6 billion) in aggregate, to be converted into US\$ at the agreed exchange rate of Php 43.405:US\$1.00.

Premium for grant of the Call Option and Put Option

The consideration for the granting of the Call Option by JGS to MPRI is a nominal amount of Php 100.0 (equivalent to approximately US\$2.3 or HK\$18.0), payable in cash by MPRI on the Effective Date and is not creditable towards the exercise price for the Option Shares.

The consideration for the granting of the Put Option by MPRI to JGS is a nominal amount of Php 100.0 (equivalent to approximately US\$2.3 or HK\$18.0), payable in cash by JGS on the Effective Date.

OTHER KEY TERMS OF THE SALE AND PURCHASE AGREEMENT

(a) Conditions precedent to the Closing of the Sale and Purchase Agreement

Closing of the Sale and Purchase Agreement is subject to certain conditions being fulfilled or waived (as the case may be) and such conditions include, among others, the following:

- (i) written consent of certain creditors of Digitel and Digitel Mobile Philippines, Inc. to the consummation of the transactions contemplated by the Sale and Purchase Agreement;
- (ii) the issuance of the new PLDT Shares to be issued as consideration for the assets under the Sale and Purchase Agreement having been approved by PLDT's shareholders; and
- (iii) the following regulatory approvals having been obtained, made or completed:
 - (1) the approval of the Philippine National Telecommunications Commission in respect of PLDT's acquisition of the Digitel Shares under the Sale and Purchase Agreement;
 - (2) the approval of the Philippines Securities and Exchange Commission ("SEC") for the valuation of assets to be exchanged for the new PLDT Shares to be issued under the Sale and Purchase Agreement;
 - (3) the approval by the PSE of the block sale of the Digitel Shares to be sold under that Sale and Purchase Agreement;
 - (4) confirmation by the SEC that the issuance of the new PLDT Shares to the Sellers under the Sale and Purchase Agreement is exempt from the registration requirement of the Philippines Securities Regulation Code (Republic Act No. 8799); and

- (5) the approval by the SEC of the application for exemption from registration of the issuance of the new PLDT Shares to be issued under the Tender Offer.

(b) Closing

The acquisition under the Sale and Purchase Agreement is intended to be completed by the end of the second quarter of 2011.

LISTING RULES IMPLICATIONS

In relation to the Option Agreement entered into by MPRI, one or more of the percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 5% but none of them exceeds 25%. Accordingly, the entering into by MPRI of the Option Agreement, which is conditional upon Closing of the Sale and Purchase Agreement, constitutes a discloseable transaction for the Company under the Listing Rules.

PLDT is an associated company of the Group. The information relating to PLDT entering into the Sale and Purchase Agreement is disclosed pursuant to Rule 13.09(1) of the Listing Rules.

REASONS FOR AND BENEFITS OF THE OPTION AGREEMENT

As at the date hereof, the Group holds an attributable economic interest in an aggregate of 49.43 million PLDT Shares, representing approximately 26.47% of the issued shares of common stock of PLDT, approximately 23.05% of the issued shares of common stock of PLDT as enlarged by the allotment and issue of the Consideration Shares if the Sale and Purchase Agreement proceeds to closing or approximately 22.84% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer.

Upon the exercise of the Call Option or the Put Option, the Group would have an attributable economic interest in an aggregate of 55.24 million PLDT Shares, representing approximately 25.76% of the issued shares of common stock of PLDT as enlarged by the allotment and issue of the Consideration Shares or approximately 25.53% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer.

MPRI has entered into the Option Agreement in order to maintain the Group's strategic interest in PLDT, as PLDT acquires control of Digitel. The Option Agreement would enable the Group to maintain its investment in PLDT, being the Group's single-largest investment, at a level similar to its existing interest.

The terms of the Option Agreement were negotiated on an arm's length basis. The Directors believe that the terms of the Option Agreement are fair and reasonable and in the interest of the shareholders of the Company as a whole.

INFORMATION IN RESPECT OF DIGITEL

Digitel is the holder of the entire issued share capital of Digitel Mobile Philippines, Inc. Digitel, Digitel Mobile Philippines, Inc., and Digitel Crossing, Inc each hold franchises to operate and maintain telecommunications systems in the Philippines. Established in 1987, Digitel is one of the major providers of wireline communication systems in Luzon. In 2003, Digitel entered the wireless communications business through the Sun Cellular brand and has since then been recognised as one of the fastest-growing wireless communications providers in the Philippines, with 14 million wireless subscribers as of the end of 2010. Through Sun Cellular, Digitel is able to expand its portfolio of telecommunications services to include wireless voice and internet together with its array of fixed-line telephony products. Digitel is listed on the PSE and is a subsidiary of JGS.

INFORMATION IN RESPECT OF PLDT

PLDT is the leading telecommunications service provider in the Philippines. It is based in Manila, and has shares of common stock listed on the PSE and ADRs listed on the New York Stock Exchange. Through its three principal business groups - fixed line, wireless, and information and communications technology - PLDT offers a wide range of telecommunications services across the Philippines' most extensive fiber optic backbone and fixed line and cellular networks.

The audited consolidated net assets of PLDT as at 31 December 2010 were approximately Php 97,069 million (equivalent to approximately US\$2,214.2 million or HK\$17.3 billion).

The audited consolidated net profit of PLDT for the year ended 31 December 2010 was approximately Php 53,685 million (equivalent to approximately US\$1,191.9 million or HK\$9.3 billion) before tax and minority interests and approximately Php 40,217 million (equivalent to approximately US\$892.9 million or HK\$7.0 billion) after tax and minority interests. The audited consolidated net profit of PLDT for the year ended 31 December 2009 was approximately Php 54,839 million (equivalent to approximately US\$1,147.0 million or HK\$8.9 billion) before tax and minority interests and Php 39,781 million (equivalent to approximately US\$832.1 million or HK\$6.5 billion) after tax and minority interests.

INFORMATION IN RESPECT OF JGS

JGS is the listed holding company of the Gokongwei family, one of the Philippines' foremost business groups. JGS has a diversified portfolio of businesses spanning consumer food manufacturing, aviation, real estate, petrochemicals, banking and telecommunications. It is a member of the Philippine Composite Index, and has a market capitalisation of approximately Php 166.5 billion (equivalent to approximately US\$3.8 billion or HK\$29.9 billion) as of 28 March 2011.

INFORMATION IN RESPECT OF THE COMPANY

The Company is a Hong Kong based investment and management company with operations located in Asia. The Company's principal business interests relate to telecommunications, consumer food products, infrastructure and natural resources.

REASONS FOR AND BENEFITS OF PLDT'S INVESTMENT IN DIGITEL

PLDT's investment in Digitel is expected to achieve substantial benefits for the consumer, the general public and the shareholders of PLDT and JGS. It is expected to be able to leverage the combined expertise of the PLDT Group and Digitel to create a more capable telecommunications company which will be better-positioned to provide higher quality and even more affordable services to fixed line, wireless, and broadband subscribers addressing a wide range of consumer demand – from voice to SMS to data and Internet and video services.

PLDT intends to keep the mobile operations of Digitel separate and intact, and to maintain and capitalize on Digitel Mobile Philippines, Inc's operations and significant brand equity to continue serving specific segments of the market, especially those who prefer "unlimited" type of services.

Digitel's fixed line operations can complement those of PLDT's in terms of both geographic and population reach, while adding approximately 450,000 subscribers to PLDT's current base of 1.8 million subscribers. PLDT can quickly provide enhanced broadband services in Digitel's service areas. Digitel's subscribers are also expected to benefit from PLDT's extensive infrastructure, particularly its nationwide fiber optic network and its international cable and satellite facilities.

PLDT will also make available to Digitel Mobile Philippines, Inc's subscribers its wide range of service offerings particularly in terms of 3G and broadband. Over the last few years, PLDT's wireless subsidiary, Smart Communications, Inc., has been steadily advancing its Internet for all advocacy and making mobile broadband more affordable and widely available so that all Filipinos may benefit from it. Mobile broadband networks can generate economic activity as they enable fast-developing, technology-driven ecosystems.

PLDT envisages significant cost efficiencies from the transaction via capex optimization, co-location of base stations, consolidation of overlapping technical systems, implementation of shared services, bulk purchasing of network equipment, communication devices and other materials and elimination of other duplicated costs. Improved network utilization and service quality can also be achieved through complementary technologies and greater network density.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company was suspended with effect from 1:30 p.m. on 29 March 2011 pending the release of this announcement. Application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company from 9:00 a.m. on Wednesday, 30 March 2011.

DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“ADS”	American depositary shares of PLDT, evidenced by American depositary receipts (“ADRs”), each ADS represents 1 PLDT Share;
“Board”	the board of directors of the Company;
“Call Option”	a call option to be granted to MPRI by JGS pursuant to the Option Agreement;
“Closing”	closing of the Sale and Purchase Agreement;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Consideration Shares”	an aggregate of 27.68 million new PLDT Shares to be issued to the Sellers under the Sale and Purchase Agreement, at a ratio of one PLDT Share for every Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) of the total consideration payable by PLDT under the Sale and Purchase Agreement, representing approximately 12.91% of the issued shares of common stock of PLDT as enlarged by the allotment and issue of the Consideration Shares or approximately 12.79% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer;
“Convertible Bonds”	as defined in the section of this announcement headed “THE SALE AND PURCHASE AGREEMENT”;
“Digitel”	Digital Telecommunications Philippines, Inc., a company incorporated in the Philippines with limited liability, the shares of which are listed on the PSE;
“Digitel Shares”	shares of common stock of Php 1.00 (equivalent to approximately US\$0.023 or HK\$0.18) each in the capital of Digitel;
“Director(s)”	the director(s) of the Company from time to time;

“Effective Date”	as defined in the section of this announcement headed “THE OPTION AGREEMENT”;
“Group”	the Company and/or its subsidiaries, and/or its Philippine affiliates, from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“JGS”	JG Summit Holdings, Inc., a company incorporated in the Philippines with limited liability and having its shares listed on the PSE;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MPRI”	Metro Pacific Resources, Inc., a Philippine affiliate of the Company;
“Option Agreement”	the option agreement entered into between MPRI and JGS on 29 March 2011 which is conditional upon Closing of the Sale and Purchase Agreement pursuant to which the Call Option and the Put Option will be granted;
“Option Shares”	5,811,504 PLDT Shares to be issued to JGS under the Sale and Purchase Agreement and to be owned of record and beneficially by JGS as of the Effective Date, representing approximately 2.71% of the issued and outstanding common stock of PLDT as enlarged by the allotment and issue of the Consideration Shares or 2.69% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer;
“Php”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“PLDT”	Philippine Long Distance Telephone Company, a company incorporated in the Philippines with limited liability, the shares of which are listed on the PSE and the ADRs of which are listed on the New York Stock Exchange (currently an associated company of the Group);

“PLDT Group”	PLDT and its subsidiaries from time to time;
“PLDT Shares”	shares of common stock of Php 5.00 (equivalent to approximately US\$0.115 or HK\$0.9) each in the capital of PLDT;
“PSE”	The Philippine Stock Exchange, Inc.;
“Put Option”	a put option to be granted by MPRI to JGS pursuant to the Option Agreement;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 March 2011 between JGS, Express Holdings, Inc., Solid Finance (Holdings), Limited and Elizabeth Yu Gokongwei and PLDT;
“Sale Shares”	an aggregate of 3,277,135,882 Digitel Shares held by the Sellers which represent approximately 51.55% of the issued and outstanding common stock of Digitel, including 3,151,310,882 common Digitel Shares which represent approximately 49.57% of the issued and outstanding common stock of Digitel which are legally and beneficially owned by JGS and Express Holdings, Inc.;
“SEC”	as defined in this announcement in paragraph (a)(iii) (2) under the heading “OTHER KEY TERMS OF THE SALE AND PURCHASE AGREEMENT”;
“Sellers”	JGS, Express Holdings, Inc., Solid Finance (Holdings), Limited and Elizabeth Yu Gokongwei;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tender Offer”	a publicly announced intention by PLDT to acquire shares in the common stock of Digitel, made in accordance with the Philippine Securities Regulation Code (Republic Act No. 8799) and its implementing rules and regulations; and

“%”

per cent.

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

Hong Kong, 29 March 2011

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = Php 43.405. Percentages and figures expressed in billions and 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

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*