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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **PLACING AND TOP-UP SUBSCRIPTION BY METRO PACIFIC HOLDINGS, INC. OF 1.33 BILLION SHARES IN METRO PACIFIC INVESTMENTS CORPORATION**

##### **INTRODUCTION**

On 22 January 2013, MPHI (a Philippine affiliate of the Company) entered into the Placing Agreement and the Top-up Subscription Agreement. The Placing Agreement provides for the Placing by MPHI of 1.33 billion existing MPIC Shares held by it representing approximately 5.1% of the existing issued and outstanding common shares of MPIC as at the date of this announcement. The Top-up Subscription Agreement provides that the proceeds of the Placing will be applied by MPHI in the Top-up Subscription of a number of new MPIC Shares equal to the aggregate number of MPIC Shares sold by MPHI under the Placing. The Placing and the Top-up Subscription are expected to raise gross proceeds for MPIC in the amount of approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million).

As at the date of this announcement, MPHI holds an attributable economic interest in an aggregate of approximately 14.5 billion MPIC Shares, representing approximately 59.0% of the existing issued and outstanding common shares of MPIC and approximately 55.9% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares if the Placing Agreement and the Top-up Subscription Agreement proceed to closing.

The parties to the Placing Agreement are MPHI, the Placement Agents and MPIC. The Placing Agreement provides for the sale of the Offer Shares to purchasers procured by the Placement Agents or, failing which, to the Placement Agents. Each Placement Agent has agreed, severally and not jointly, with MPHI to procure purchasers for the Offer Shares in respect of which it has made a commitment, as set out in the Placing Agreement or, failing which, to purchase the said Offer Shares, on the Placing Completion Date at the Offering Price of Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Offer Share. The aggregate amount of gross proceeds to be raised under the Placing is therefore, approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million).

The parties to the Top-up Subscription Agreement are MPHI and MPIC. The Top-up Subscription Agreement provides for the subscription by MPHI and the issue by MPIC of a number of Top-up Subscription Shares equal to the aggregate number of Offer Shares sold by MPHI under the Placing, at the Top-up Subscription Price of Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Top-up Subscription Share. The aggregate amount of the subscription price payable under the Top-up Subscription Agreement is, therefore, approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million).

#### **LISTING RULES IMPLICATIONS**

The Placing and the Top-up Subscription constitute respectively, a disposal and an acquisition, by the Company of indirectly held interests in MPIC. Under Listing Rule 14.24, a transaction involving both an acquisition and a disposal will be classified by reference to the larger of the acquisition or disposal, and subject to the reporting, disclosure and/or shareholder approval requirements applicable to that classification. Accordingly, this transaction will be classified by reference to the applicable percentage ratios in respect of the Placing.

All of the applicable percentage ratios in respect of the disposal constituted by the Placing are less than 5%. Accordingly, the Placing and the Top-up Subscription does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

On 22 January 2013, MPHI (a Philippine affiliate of the Company) entered into the Placing Agreement and the Top-up Subscription Agreement. The Placing Agreement provides for the Placing by MPHI of 1.33 billion existing MPIC Shares held by it representing approximately 5.1% of the existing issued and outstanding common shares of MPIC as at the date of this announcement. The Top-up Subscription Agreement provides that the proceeds of the Placing will be applied by MPHI in the Top-up Subscription of a number of new MPIC Shares equal to the aggregate number of MPIC Shares sold by MPHI under the Placing. The Placing and the Top-up Subscription are expected to raise gross proceeds for MPIC in the amount of approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million).

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## **PRINCIPAL TERMS OF THE PLACING AGREEMENT**

The Placing Agreement was entered into on 22 January 2013. The parties to the Placing Agreement are MPHI, the Placement Agents and MPIC. The Placing Agreement provides for the sale of the Offer Shares to purchasers procured by the Placement Agents or, failing which, to the Placement Agents. Each Placement Agent has agreed, severally and not jointly, with MPHI to procure purchasers for the Offer Shares in respect of which it has made a commitment, as set out in the Placing Agreement or, failing which, to purchase the said Offer Shares, on the Placing Completion Date at the Offering Price of Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Offer Share. The aggregate amount of gross proceeds to be raised under the Placing is therefore, approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million).

### **Offering Price**

The Offering Price was determined with reference to the prevailing market price of the MPIC Shares and was negotiated on an arm's length basis between MPHI, MPIC and the Placement Agents on the date of the Placing Agreement and the Top-up Subscription Agreement.

The Offering Price represents an (a) approximately 6.3% discount to the closing price of MPIC Shares as at 22 January 2013 and (b) approximately 2.9% discount to the volume weighted average of the closing prices of MPIC Shares as quoted on the PSE for the period of 30 trading days prior to the date of the Placing Agreement.

## **Placees**

The Offer Shares will be sold (i) primarily offshore outside the Philippines by way of marketed placing to investors outside the U.S. in reliance on Regulation S under the U.S. Securities Act and within the U.S. to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act and (ii) to a limited extent domestically in the Philippines to (1) qualified buyers pursuant to Section 10.1(l) of the SRC; and (2) not more than 19 non-qualified buyers pursuant to Section 10.1(k) of the SRC.

## **Registration requirements**

The Offer Shares are being offered and sold in the Philippines in transactions that will not require registration under the SRC. Accordingly, the sale of the Offer Shares is exempt from the registration requirements of the SRC and is not and will not be registered with the SEC.

## **Closing and Termination Rights**

Closing of the Placing Agreement is conditional upon satisfaction of a number of customary conditions, including delivery of legal opinions and no material adverse change to the business, properties, results of operations or general affairs of the MPIC group.

The obligations of the Placing Agents under the Placing Agreement are subject to termination in certain circumstances, including the occurrence of an event or development having a material adverse effect on the business of the MPIC group and certain events of force majeure.

## **THE TOP-UP SUBSCRIPTION AGREEMENT**

The Top-up Subscription Agreement was entered into on 22 January 2013. The parties to the Top-up Subscription Agreement are MPHI and MPIC. The Top-up Subscription Agreement provides for the subscription by MPHI and the issue by MPIC of a number of Top-up Subscription Shares equal to the aggregate number of Offer Shares sold by MPHI under the Placing, at the Top-up Subscription Price of Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Top-up Subscription Share.

## **Top-up Subscription Price**

The Top-up Subscription Agreement provides that the aggregate subscription price of approximately Php 6.1 billion (equivalent to approximately US\$150.7 million or HK\$1,175.1 million) payable by MPHI under the Top-up Subscription Agreement shall be paid in immediately available funds to MPIC on the Placing Completion Date.

## **FINANCIAL EFFECTS FOR THE GROUP**

As a result of the Placing and the Top-up Subscription, the Group will not recognise any gain or loss.

## **RATIONALE FOR THE PLACING AND TOP-UP SUBSCRIPTION**

The Placing and Top-up Subscription allows MPIC to raise equity funds for use (as announced by MPIC) in MPIC's expansion of its toll roads, water and hospital business, acquisition projects and/or for its general corporate purposes. MPIC has announced that the Placing and Top-up Subscription are also intended to strengthen and broaden the capital base of MPIC, as well as to promote a wider dispersion of MPIC Shares to a broad spectrum of public institutional investors.

## **INFORMATION IN RESPECT OF MPIC**

MPIC is a Philippine affiliate of the Company. It is an investment management and holding company focused on infrastructure development, and has common shares listed on the PSE.

## **INFORMATION IN RESPECT OF MPHI**

MPHI is a Philippine affiliate of the Company. It is an investment holding company.

## **INFORMATION IN RESPECT OF THE COMPANY**

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

## **LISTING RULES IMPLICATIONS**

The Placing and the Top-up Subscription constitute respectively, a disposal and an acquisition, by the Company of indirectly held interests in MPIC. Under Listing Rule 14.24, a transaction involving both an acquisition and a disposal will be classified by reference to the larger of the acquisition or disposal, and subject to the reporting, disclosure and/or shareholder approval requirements applicable to that classification. Accordingly, this transaction will be classified by reference to the applicable percentage ratios in respect of the Placing.

All of the applicable percentage ratios in respect of the disposal constituted by the Placing are less than 5%. Accordingly, the Placing and the Top-up Subscription does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of directors of the Company;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company from time to time;
“Group”	the Company and/or its subsidiaries, 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MPHI”	Metro Pacific Holdings, Inc., a company incorporated in the Philippines with limited liability (currently a Philippine affiliate of the Company);
“MPIC”	Metro Pacific Investments Corporation, a company incorporated in the Philippines with limited liability, the shares of which are listed on the PSE;
“MPIC Shares”	common shares with a par value of Php 1.00 (equivalent to approximately US\$0.025 or HK\$0.19) each in the capital of MPIC;
“Offer Shares”	1.33 billion existing MPIC Shares held and owned by MPHI to be placed pursuant to the Placing Agreement;
“Offering Price”	Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Offer Share;
“Php”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“Placement Agents”	UBS AG and CLSA Limited;
“Placing”	the placing of the Offer Shares by the Placement Agents pursuant to the terms of the Placing Agreement;

“Placing Agreement”	the placing agreement dated 22 January 2013 entered into between MPHI, MPIC and the Placement Agents in relation to the Placing;
“Placing Completion Date”	28 January 2013, or such other date as the Placement Agents and MPHI shall agree in writing;
“PSE”	the Philippine Stock Exchange;
“SEC”	the Philippine Securities and Exchange Commission;
“SRC”	the Philippine Securities Regulation Code;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Top-up Subscription”	the subscription of the Top-up Subscription Shares by MPHI pursuant to the terms of the Top-up Subscription Agreement;
“Top-up Subscription Agreement”	the agreement dated 22 January 2013 entered into between MPHI and MPIC in relation to the Top-up Subscription;
“Top-up Subscription Price”	Php 4.6 (equivalent to approximately US\$0.113 or HK\$0.88) per Top-up Subscription Share;
“Top-up Subscription Shares”	such number of MPIC Shares which is equal to the aggregate number of Offer Shares sold by MPHI under the Placing, to be issued by MPIC pursuant to the Top-up Subscription Agreement subject to and in accordance with the terms therein;
“U.S.”	the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia);
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended;
“US\$”	U.S. dollars, the lawful currency of the U.S.; and
“%”	per cent.

*Unless stated otherwise, translations of quoted currency values in this announcement are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = Php 40.61. Percentages and figures expressed in millions and billions have been rounded.*

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

Hong Kong, 23 January 2013

As at the date of this announcement, the Board comprises the following Directors:

<i>Anthoni Salim, Chairman and Non-executive Director</i>	<i>Tedy Djuhar, Non-executive Director</i>
<i>Manuel V. Pangilinan, Managing Director and CEO</i>	<i>Benny S. Santoso, Non-executive Director</i>
<i>Edward A. Tortorici, Executive Director</i>	<i>Napoleon L. Nazareno, Non-executive Director</i>
<i>Robert C. Nicholson, Executive Director</i>	<i>Jun Tang*</i>
<i>Graham L. Pickles*</i>	<i>Margaret Leung Ko May Yee*, SBS, JP</i>
<i>Prof. Edward K.Y. Chen*, GBS, CBE, JP</i>	<i>Philip Fan Yan Hok*</i>

\* *Independent Non-executive Directors*