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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

PROPOSED ACQUISITION BY METRO PACIFIC INVESTMENTS CORPORATION OF INTEREST IN BEACON ELECTRIC ASSET HOLDINGS, INC.: DISCLOSEABLE TRANSACTION

PROPOSED ACQUISITION BY PHILIPPINE LONG DISTANCE TELEPHONE COMPANY OF ADDITIONAL SPECTRUM: ANNOUNCEMENT UNDER PART XIVA OF THE SFO AND RULE 13.09(2)(a) OF THE LISTING RULES

ACQUISITION BY MPIC OF INTEREST IN BEACON

Purchase by MPIC of interest in Beacon

The Company is pleased to announce that, on 30 May 2016, MPIC and PCEV entered into the Beacon Acquisition Agreement, pursuant to which MPIC agreed to purchase, and PCEV agreed to sell, the Beacon Acquisition Shares, representing a 25% economic interest in Beacon, for an aggregate purchase price of Php26.2 billion (equivalent to approximately US\$563.4 million or HK\$4.4 billion).

As at the date of this announcement, prior to completion of the Beacon Acquisition, MPIC and PCEV each own 50% of Beacon. Immediately following completion of the Beacon Acquisition, MPIC will own 75% of the economic interest in Beacon, with PCEV owning the remaining 25% of the economic interest. However, for so long as either (1) PCEV holds not less than 20% of the outstanding capital stock of Beacon or (2) the purchase price for the acquisition of the Beacon Acquisition Shares has not been paid in full by MPIC, PCEV shall continue to exercise 50% of the voting rights in respect of Beacon. As a result of the continuation of PCEV's right to exercise 50% of the voting rights in respect of Beacon, following completion of the Beacon Acquisition the Group will continue to account for Beacon as an equity-accounted for joint venture. Beacon will not become a subsidiary of the Group as a result of the Beacon Acquisition.

Reasons for and benefits of the Beacon Acquisition

The directors of the Company consider that the Beacon Acquisition will realign the Group's portfolio towards a more appropriate strategic ownership mix, with an increased interest in Beacon and Meralco to be held by the Group's flagship infrastructure company, rather than by PLDT, which is principally engaged in telecommunications and related businesses. The directors are also of the opinion that the Beacon Acquisition will deliver incremental profit and a dividend uplift for MPIC.

Implications under the Listing Rules

The Beacon Acquisition is an acquisition by the Company for the purposes of Chapter 14 of the Listing Rules.

One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Beacon Acquisition exceeds 5% but all the percentage ratios are less than 25%. Accordingly, the Beacon Acquisition constitutes a discloseable transaction for the Company and is required to be announced under Chapter 14 of the Listing Rules.

PROPOSED PURCHASE OF ADDITIONAL SPECTRUM BY PLDT

Proposed purchase of Spectrum Holding Companies

On 30 May 2016, PLDT announced that PLDT's board of directors has approved the proposed purchase by PLDT and Globe of the entire issued share capitals of each of the Spectrum Holding Companies and the purchase of shareholders loans made to the Spectrum Holding Companies.

The Spectrum Holding Companies hold the Spectrum. The Spectrum comprises a portfolio of spectrum frequencies, including part of the 700MHz band. The transaction would involve a return of certain radio frequencies to the Philippine Government, to allow a third party competitor to enter the market. The Purchasers will enter into separate co-use arrangements with the Spectrum Holding Companies for the remaining spectrum frequencies, on a 50:50 basis.

PLDT and Globe have agreed to purchase the Spectrum Holding Companies and related shareholders loans on a 50:50 basis. Accordingly, PLDT will purchase 50% of the Sale Shares and 50% of the Sale Loans and Globe will purchase the remaining 50% in each case.

The total purchase price for the acquisition of the Sale Shares and the Sale Loans is Php52.8 billion (equivalent to approximately US\$1.1 billion or HK\$8.9 billion), being Php70 billion (equivalent to approximately US\$1.5 billion or HK\$11.7 billion) enterprise value, less total third party liabilities of the Spectrum Holding Companies of Php17.2 billion (equivalent to approximately US\$369.9 million or HK\$2.9 billion) shown in their respective financial statements as of 30 April 2016.

The amount of the purchase price payable by PLDT for its 50% of the Sale Shares and 50% of the Sale Loans is, therefore, Php26.4 billion (equivalent to approximately US\$567.7 million or HK\$4.4 billion).

The purchase price would be subject to upward or downward post-completion adjustment, following a post-completion due diligence review to be conducted by the Purchasers, if the total third-party liabilities of the Spectrum Holding Companies as of the date of completion of the acquisition of the Sale Shares and the Sale Loans are, respectively, either less than or more than the total third-party liabilities of the Spectrum Holding Companies as of 30 April 2016 to be used for the purpose of calculating the purchase price.

Reasons for and benefits of the proposed purchase of additional Spectrum by PLDT

The directors of the Company consider that the purchase of the Spectrum Holding Companies, and, thereby, the Spectrum, would allow PLDT to gain access to valuable frequencies, including key 700MHz spectrum, which could be expected to result in significant improvements in service quality and to enable PLDT to accelerate its network build out and improve Internet access, coverage and service nationwide.

Announcement under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules

The announcement of the proposed acquisition of additional Spectrum by PLDT is made pursuant to the Inside Information provisions of Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules. PLDT is an associated company of the Company, and not a subsidiary. Accordingly, Chapter 14 of the Listing Rules does not apply to the proposed purchase of the Spectrum Holding Companies.

ACQUISITION BY MPIC OF INTEREST IN BEACON

Purchase by MPIC of interest in Beacon

The Company is pleased to announce that, on 30 May 2016, MPIC and PCEV entered into the Beacon Acquisition Agreement, pursuant to which MPIC agreed to purchase, and PCEV agreed to sell, the Beacon Acquisition Shares, representing a 25% economic interest in Beacon, for an aggregate purchase price of Php26.2 billion (equivalent to approximately US\$563.4 million or HK\$4.4 billion).

The Beacon Acquisition Shares comprise approximately 645.8 million common shares (representing 25% of the outstanding common shares of Beacon) and approximately 458.4 million preferred shares of Beacon (representing 25% of the outstanding preferred shares of Beacon). The sale price per share for the common shares is Php31.61 (approximately US\$0.68 or HK\$5.3). The sale price per share for the preferred shares is Php12.62 (approximately US\$0.27 or HK\$2.1). The common shares confer rights to receive common dividends and to vote at shareholders' meetings of Beacon. Holders of preferred shares are not entitled to vote at Shareholders' meetings or to receive common dividends, but are entitled to a fixed cumulative dividend of 7% of the original issue price of the preferred shares per annum.

Completion of the Beacon Acquisition is expected to take place on or around 30 May 2016.

Basis of determination of the purchase price

The purchase price for the Beacon Acquisition was determined by reference to the share price of Meralco quoted on the Philippine Stock Exchange, less the net debt and other liabilities of Beacon. Beacon's principal activity is holding shares in Meralco, as described below under the heading "*Information in relation to Beacon*".

The total purchase price for the Beacon Acquisition is payable by MPIC to PCEV as to an amount of Php17.0 billion (equivalent to approximately US\$365.6 million or HK\$2.9 billion) on completion of the Beacon Acquisition Agreement and as to the balance of Php9.2 billion (approximately US\$197.8 million or HK\$1.5 billion) over the period of four years following completion of the Beacon Acquisition Agreement.

Interests of MPIC and PCEV in Beacon before and after the Beacon Acquisition

As at the date of this announcement, prior to completion of the Beacon Acquisition, MPIC and PCEV each own 50% of Beacon.

Immediately following completion of the Beacon Acquisition, MPIC will own 75% of the economic interest in Beacon, with PCEV owning the remaining 25% of the economic interest. However, for so long as either (1) PCEV holds not less than 20% of the outstanding capital stock of Beacon or (2) the purchase price for the acquisition of the Beacon Acquisition Shares has not been paid in full by MPIC, PCEV shall continue to exercise 50% of the voting rights in respect of Beacon.

As a result of the continuation of PCEV's right to exercise 50% of the voting rights in respect of Beacon, following completion of the Beacon Acquisition, the Group will continue to account for Beacon as an equity-accounted for joint venture. Beacon will not become a subsidiary of the Group as a result of the Beacon Acquisition.

Reasons for and benefits of the Beacon Acquisition

The directors of the Company consider that the Beacon Acquisition will realign the Group's portfolio towards a more appropriate strategic ownership mix, with an increased interest in Beacon and Meralco to be held by the Group's flagship infrastructure company, rather than by PLDT, which is principally engaged in telecommunications and related businesses. The directors are also of the opinion that the Beacon Acquisition will deliver incremental profit and a dividend uplift for MPIC.

The directors of the Company consider that the terms of the Beacon Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Implications under the Listing Rules

The Beacon Acquisition is an acquisition by the Company for the purposes of Chapter 14 of the Listing Rules.

One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Beacon Acquisition exceeds 5% but all the applicable percentage ratios are less than 25%. Accordingly, the Beacon Acquisition constitutes a discloseable transaction for the Company and is required to be announced under Chapter 14 of the Listing Rules.

Information in relation to Beacon

Beacon is a special purpose company incorporated in the Philippines and is, as at the date of this announcement, jointly owned as to 50% by MPIC and as to the balance of 50% by PCEV.

Beacon's principal business activity is its role as a special purpose holding company, holding a direct interest in approximately 34.96% of Meralco. Meralco is a Philippine corporation with its shares listed on the Philippine Stock Exchange and is the largest distributor of electricity in the Philippines.

As announced by the Company on 27 May 2016, Beacon's wholly-owned subsidiary, Beacon PowerGen Holdings Inc., has entered into an agreement to purchase a 56% interest in Global Power. Global Power is a holding company that, through its subsidiaries, is a leading power producer in the Visayas Region and Mindoro Island.

For the financial year ended 31 December 2015, Beacon's audited consolidated profits before taxation were Php7.5 billion (equivalent to approximately US\$164.4 million or HK\$1.3 billion) and Beacon's audited consolidated profits after taxation were Php7.5 billion (equivalent to approximately US\$164.4 million or HK\$1.3 billion). For the financial year ended 31 December 2014, Beacon's audited consolidated profits before taxation were Php5.8 billion (equivalent to approximately US\$130.5 million or HK\$1.0 billion) and Beacon's audited consolidated profits after taxation were Php5.8 billion (equivalent to approximately US\$130.5 million or HK\$1.0 billion). As at 31 December 2015, Beacon's audited consolidated net asset value was Php123.1 billion (equivalent to approximately US\$2.6 billion or HK\$20.4 billion).

Beacon is an equity-accounted for joint venture of the Group. Beacon is not a connected person of the Company, nor is it a subsidiary of the Group. Following completion of the Beacon Acquisition, Beacon will remain an equity-accounted for joint venture of the Group.

Information in relation to PCEV and PLDT

PCEV is a subsidiary of PLDT. The principal business activity of PCEV is investment holding, in respect of its 50% interest in Beacon.

PLDT is the Philippines' leading broadband and digital services provider. PLDT has its shares listed on the Philippine Stock Exchange and the New York Stock Exchange.

The Group holds an approximately 25.6% economic interest in PLDT. Save for that relationship, to the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, PCEV and its ultimate beneficial owner are otherwise third parties independent of the Company and connected persons of the Company.

Information in relation to the Company and MPIC

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

MPIC is a Philippine affiliate of the Company. MPIC is an investment management and holding company focused on infrastructure development and has its common shares listed on the Philippine Stock Exchange.

As at the date of this announcement, the Group has an approximately 59.3% voting interest and an approximately 52.0% economic interest in MPIC. As announced by the Company on 27 May 2016, MPIC entered into an agreement with GT Capital for the subscription of new common shares in MPIC by GT Capital and the sale of existing common shares in MPIC by MPHI to GT Capital. Immediately following completion of those transactions, the Group's voting and economic interests in MPIC will be reduced to approximately 55.0% and 42.0%, respectively.

PROPOSED PURCHASE OF ADDITIONAL SPECTRUM BY PLDT

Proposed purchase of Spectrum Holding Companies

On 30 May 2016, PLDT announced that PLDT's board of directors has approved the proposed purchase by PLDT and Globe of the entire issued share capitals of each of the Spectrum Holding Companies and the purchase of shareholders loans made to the Spectrum Holding Companies.

The Spectrum Holding Companies hold the Spectrum. The Spectrum comprises a portfolio of spectrum frequencies, including part of the 700MHz band. 700 MHz spectrum will provide better indoor coverage and enable faster rollout in regional and rural areas. The transaction would involve a return of certain radio frequencies to the Philippine Government, to allow a third party competitor to enter the market. The Purchasers will enter into separate co-use arrangements with the Spectrum Holding Companies for the remaining spectrum frequencies, on a 50:50 basis.

In addition to the 700MHz frequencies, PLDT will also receive supplementary frequencies in the 900MHz and 1800MHz bands which will enhance PLDT's current networks and increase capacity, resulting in faster and improved data services. The Purchasers will cause the Spectrum Holding Companies to relinquish certain radio frequencies in the 700 MHz, 850 MHz, 2500 MHz, and 3500 MHz bands and to return those radio frequencies to the Philippine Government through the NTC. Those radio frequencies to be returned by subsidiaries of Vega Telecom, Inc to the NTC will be sufficient, together with radio frequencies already held by the NTC, to allow for a third-party operator to enter the market.

PLDT and Globe have agreed to purchase the Spectrum Holding Companies and related shareholders loans on a 50:50 basis. Accordingly, PLDT will purchase 50% of the Sale Shares and 50% of the Sale Loans and Globe will purchase the remaining 50% in each case.

Purchase price

The total purchase price for the acquisition of the Sale Shares and the Sale Loans is Php52.8 billion (equivalent to approximately US\$1.1 billion or HK\$8.9 billion), being Php70 billion (equivalent to approximately US\$1.5 billion or HK\$11.7 billion) enterprise value, less total third-party liabilities of the Spectrum Holding Companies of Php17.2 billion (US\$369.9 million or HK\$2.9 billion) shown in their respective financial statements as of 30 April 2016.

The amount of the purchase price payable by PLDT for its 50% of the Sale Shares and 50% of the Sale Loans is, therefore, Php26.4 billion (equivalent to approximately US\$567.7 million or HK\$4.4 billion).

The purchase price would be subject to upward or downward post-completion adjustment, following a post-completion due diligence review to be conducted by the Purchasers, if the total third-party liabilities of the Spectrum Holding Companies as of the date of completion of the acquisition of the Sale Shares and the Sale Loans are, respectively, either less than or more than the total third-party liabilities of the Spectrum Holding Companies as of 30 April 2016 to be used for the purpose of calculating the purchase price.

The Purchasers will pay the purchase price for the Sale Shares and the Sale Loans on a 50:50 basis, as follows:

- a) 50% of the purchase price is payable on signing of the sale and purchase agreements for the acquisition of the Sale Shares and the Sale Loans.
- b) 25% of the purchase price is payable 6 months after the first payment referred to in paragraph (a) above.
- c) The balance of 25% of the purchase price is payable 12 months after the first payment referred to in paragraph (a) above.

PLDT intends to finance its portion of the purchase price from the proceeds received by PLDT from the Beacon Acquisition, with the balance coming from a combination of new debt and balance sheet cash.

Description of the principal business activities of Globe and San Miguel

Globe is engaged in the Philippine telecommunications industry.

San Miguel is a diversified conglomerate, with operations in beverages, food, packaging, fuel and oil, power, mining and infrastructure.

Reasons for and benefits of the proposed purchase of additional Spectrum by PLDT

The directors of the Company consider that the acquisition of the Spectrum Holding Companies, and, thereby, the Spectrum, would allow PLDT to gain access to valuable frequencies, including key 700MHz spectrum, which could be expected to result in significant improvements in service quality and to enable PLDT to accelerate its network build out and improve Internet access, coverage and service nationwide.

Access to the additional radio frequencies, especially the 700Mhz, is expected to raise PLDT's capex by around Php4.7 billion (equivalent to approximately US\$100 million or HK\$780 million) for 2016 and 2017. PLDT expects the rollout of service on the 700 MHz to be accelerated and that the additional spectrum will result in wider coverage and more efficient network utilization. In particular, PLDT expects that its subsidiary, Smart Communications Inc, will be able to serve better the regional and rural areas of the Philippines by utilizing the 700MHz spectrum.

Announcement under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules

The announcement of the proposed acquisition of additional Spectrum by PLDT is made pursuant to the Inside Information provisions of Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules. PLDT is an associated company of the Company, and not a subsidiary. Accordingly, Chapter 14 of the Listing Rules does not apply to the proposed purchase of the Spectrum Holding Companies.

DEFINITIONS

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

“Beacon”	Beacon Electric Asset Holdings, Inc., a special purpose company incorporated in the Philippines and jointly owned as to 50% each by MPIC and PCEV;
“Beacon Acquisition”	the acquisition of the Beacon Acquisition Shares by MPIC from PCEV, pursuant to the Beacon Acquisition Agreement;
“Beacon Acquisition Agreement”	the agreement dated 30 May 2016 entered into between MPIC and PCEV relating to the Beacon Acquisition;
“Beacon Acquisition Shares”	approximately 645.8 million common shares of Beacon, representing 25% of the outstanding common shares of Beacon, and approximately 458.4 million preferred shares of Beacon, representing 25% of the outstanding preferred shares of Beacon;

“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on The Stock Exchange of Hong Kong Limited;
“Global Power”	Global Business Power Corporation, a holding company incorporated in the Philippines that, through its subsidiaries, is a leading power producer in the Visayas Region and Mindoro Island;
“Globe”	Globe Telecom, Inc., a company incorporated in the Philippines and having its shares listed on the Philippine Stock Exchange;
“Group”	the Company, its subsidiaries and affiliates;
“GT Capital”	GT Capital Holdings, Inc., a Philippine conglomerate having its shares listed on the Philippine Stock Exchange and being the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Meralco”	Manila Electric Company, a company incorporated in the Philippines and having its shares listed on the Philippine Stock Exchange;
“MPHI”	Metro Pacific Holdings Inc., a company incorporated in the Philippines which is an affiliate of the Company;
“MPIC”	Metro Pacific Investments Corporation, a company incorporated in the Philippines and having its shares listed on the Philippine Stock Exchange;
“NTC”	National Telecommunications Commission of the Philippines;
“PCEV”	PLDT Communications and Energy Ventures, Inc., a company incorporated in the Philippines and being a subsidiary of PLDT;

“Php”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“PLDT”	Philippine Long Distance Telephone Company, a company incorporated in the Philippines which is an associated company of the Company and which has its shares listed on the Philippine Stock Exchange and the New York Stock Exchange;
“Purchasers”	PLDT and Globe, collectively, and each is a “Purchaser”;
“Sale Loans”	collectively, the outstanding advances made to the Spectrum Holding Companies by their respective owners;
“Sale Shares”	collectively, the shares representing the entire issued share capitals of the Spectrum Holding Companies;
“San Miguel”	San Miguel Corporation, a corporation established in the Philippines and having its shares listed on the Philippine Stock Exchange and the Singapore Exchange (SGX);
“SFO”	the Securities and Futures Ordinance (Cap.571) of the laws of Hong Kong;
“Spectrum”	the telecommunications spectrum held by the Spectrum Holding Companies and their respective subsidiaries and the franchises, licenses, permits, authorities and other assets related to such telecommunications spectrum;
“Spectrum Holding Companies”	<ol style="list-style-type: none"> (1) Vega Telecom, Inc., a company incorporated in the Philippines and wholly owned by San Miguel; (2) New Century Telecom, Inc, a company incorporated in the Philippines; and (3) eTelco, Inc, a company incorporated in the Philippines; and

“US\$”

United States dollars, the lawful currency of the United States of America.

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

Hong Kong, 30 May 2016

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 = Php46.5. Percentages and figures expressed have been rounded.

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

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Napoleon L. Nazareno

Independent Non-executive Directors:

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin