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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)

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

**DISCLOSEABLE TRANSACTION:
PLACING OF SHARES IN MANILA ELECTRIC COMPANY
BY METRO PACIFIC INVESTMENTS CORPORATION**

ACQUISITION BY MPIC OF INTEREST IN BEACON

Purchase by MPIC of interest in Beacon

The Company is pleased to announce that, on 13 June 2017 (after trading hours), 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 Php21.8 billion (equivalent to approximately US\$439.5 million or HK\$3.4 billion).

Beacon is, as at the date of this announcement, jointly owned as to 75% by MPIC and as to the balance of 25% by PCEV. Beacon is an equity-accounted for joint venture of the Group, as a result of PCEV's right to exercise 50% of the voting rights in respect of Beacon. Following completion of the Beacon Acquisition, the financial results of Beacon will be consolidated (instead of being equity-accounted for) in the financial statements of the Group.

Reasons for and benefits of the Beacon Acquisition

The Directors consider that the Beacon Acquisition will realign the Group's portfolio towards a more appropriate strategic ownership mix, with the interests in Beacon and Meralco (i.e. its power assets) 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 cash return to MPIC.

PLACING OF SHARES IN MERALCO BY MPIC

Placing Agreement

On 13 June 2017 (after trading hours), MPIC and the Placing Agent entered into the Meralco Placing Agreement, pursuant to which MPIC agreed to sell, through the Placing Agent, the Meralco Placing Shares (representing approximately 4.5% of the issued share capital of Meralco) to the purchasers procured by the Placing Agent at the Placing Price of Php250.00 (equivalent to approximately US\$5.04 or HK\$39.31) per share in Meralco, and the Placing Agent agreed to act as the agent of MPIC to procure purchasers for the Meralco Placing Shares at the Placing Price.

MPIC intends to apply the net proceeds from the Placing of approximately Php12.5 billion (equivalent to approximately US\$252.0 million or HK\$2.0 billion) for funding the Beacon Acquisition.

GROUP'S ECONOMIC INTEREST IN MERALCO IMMEDIATELY FOLLOWING CLOSING OF THE BEACON ACQUISITION AND THE PLACING

As at the date of this announcement, MPIC owns approximately 15.0% in Meralco directly and, together with a further effective economic interest of approximately 26.2% in Meralco through its 75% economic interest in Beacon, has an effective economic interest of approximately 41.2% in Meralco.

Following completion of the Placing and the Beacon Acquisition, MPIC will own approximately 10.5% in Meralco directly and a further effective economic interest of approximately 35.0% in Meralco through its 100% economic interest in Beacon, thereby taking MPIC's effective economic interest in Meralco to approximately 45.5%. Meralco will continue to be an equity-accounted for associated company of the Group following completion of the Placing and the Beacon Acquisition.

IMPLICATIONS UNDER 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 under Chapter 14 of the Listing Rules.

As at the date of this announcement, Beacon is an equity-accounted for joint venture of the Group because, although MPIC holds 75% of the issued share capital of Beacon, pursuant to a voting agreement MPIC is only entitled to exercise 50% of the voting rights in respect of Beacon (PCEV is entitled to exercise the remaining 50%). However, as MPIC holds more than half of Beacon's issued share capital, Beacon is treated as a subsidiary of MPIC for the purposes of the Listing Rules (notwithstanding the existence of the voting agreement). PCEV, as the holder of 25% of Beacon's issued share capital, is a connected person of the Company and the Beacon Acquisition is, therefore, a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Beacon Acquisition is on normal commercial terms or better (as far as the Company is concerned) and PCEV is a connected person of the Company at the subsidiary level. The Board has approved the Beacon Acquisition and the independent non-executive Directors have confirmed that the terms of the Beacon Acquisition are fair and reasonable and that the Beacon Acquisition is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole. Therefore, pursuant to Rule 14A.101 of the Listing Rules, the Beacon Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Placing is a disposal of shares in Meralco by the Group. One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Placing exceeds 5% but all the applicable percentage ratios are less than 25%. Accordingly, the Placing is a discloseable transaction for the Company under Chapter 14 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 13 June 2017 (after trading hours), 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 Php21.8 billion (equivalent to approximately US\$439.5 million or HK\$3.4 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 Class "A" preferred shares of Beacon (representing 25% of the outstanding Class "A" preferred shares of Beacon). The sale price per share for the common shares is Php24.798 (equivalent to approximately US\$0.50 or HK\$3.90). The sale price per share for the Class "A" preferred shares is Php12.62 (equivalent to approximately US\$0.25 or HK\$1.98). The common shares confer rights to receive common dividends and to vote at shareholders' meetings of Beacon. Holders of Class "A" 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 Class "A" preferred shares per annum.

Completion of the Beacon Acquisition is expected to take place on or around 30 June 2017.

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 and the value of Global Power, less the net debt and other liabilities of Beacon. Beacon's principal activity is holding shares in Meralco and Global Power, 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 Php12.0 billion (equivalent to approximately US\$241.9 million or HK\$1.9 billion) on completion of the Beacon Acquisition Agreement and as to the balance of Php9.8 billion (equivalent to approximately US\$197.6 million or HK\$1.5 billion) over the period of four years following completion of the Beacon Acquisition Agreement.

The Beacon Acquisition Agreement provides that for so long as PCEV remains an affiliate or member of the Group and the balance of the purchase price for the Beacon Acquisition has not been paid in full by MPIC, (i) PCEV shall be entitled to nominate one director to the board of directors of Beacon; and (ii) PCEV shall have the right to vote the Beacon Acquisition Shares.

Reasons for and benefits of the Beacon Acquisition

The Directors consider that the Beacon Acquisition will realign the Group's portfolio towards a more appropriate strategic ownership mix, with the interests in Beacon and Meralco (i.e. its power assets) 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 cash return to MPIC.

The Directors (including the independent non-executive Directors) consider that the terms of the Beacon Acquisition are fair and reasonable, and that the Beacon Acquisition is on normal commercial terms or better (as far as the Company is concerned), in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

To the best of the Directors' knowledge and information, no Director has any material interest in, or otherwise is required to abstain from voting on, the Board resolutions considering and approving the Beacon Acquisition.

PLACING OF SHARES IN MERALCO BY MPIC

Placing Agreement

On 13 June 2017 (after trading hours), MPIC and the Placing Agent entered into the Meralco Placing Agreement, pursuant to which MPIC agreed to sell, through the Placing Agent, the Meralco Placing Shares (representing approximately 4.5% of the issued share

capital of Meralco) to the purchasers procured by the Placing Agent at the Placing Price of Php250.00 (equivalent to approximately US\$5.04 or HK\$39.31) per share in Meralco, and the Placing Agent agreed to act as the agent of MPIC to procure purchasers for the Meralco Placing Shares at the Placing Price.

The purchasers of the Meralco Placing Shares will be professional, institutional or other investors who are not related parties (as defined under the rules and regulations of the Philippine Stock Exchange) of Meralco. The Placing is not expected to result in any investor or investors acting in concert acquiring 10% or more of Meralco's issued and outstanding capital stock.

Completion of the Placing will take place on 19 June 2017 or such other date as MPIC and the Placing Agent shall agree in writing.

The Meralco Placing Shares will be sold with full title guarantee and free from all liens, charges and encumbrances and with all rights attaching thereto.

Basis of determining the Placing Price

The Placing Price was arrived at after arm's length negotiations between MPIC and the Placing Agent with reference to the prevailing market prices of the shares in Meralco, representing (i) a discount of approximately 6.5% over the closing price of Php267.4 (equivalent to approximately US\$5.39 or HK\$42.05) per share in Meralco quoted on the Philippine Stock Exchange on 13 June 2017, being the date of the Meralco Placing Agreement; and (ii) a discount of approximately 7.12% over the average closing price of approximately Php269.16 (equivalent to approximately US\$5.43 or HK\$42.33) per share in Meralco quoted on the Philippine Stock Exchange for the last five consecutive trading days immediately prior to the date of the Meralco Placing Agreement.

The Directors consider that the Placing Price and the terms of the Meralco Placing Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Proceeds from the Placing

Assuming all the Meralco Placing Shares have been placed, the gross proceeds from the Placing will be approximately Php12.7 billion (equivalent to approximately US\$256.0 million or HK\$2.0 billion). The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately Php12.5 billion (equivalent to approximately US\$252.0 million or HK\$2.0 billion). The proceeds from the Placing will be settled in cash on completion.

MPIC intends to apply the net proceeds from the Placing for funding the Beacon Acquisition.

Subject to audit by the Group's auditor, the Group expects to recognise a gain in its consolidated income statement of approximately US\$6 million (equivalent to approximately HK\$46.8 million) from the Placing, which is calculated as the difference between the net proceeds from the Placing and the current book value of the Meralco Placing Shares.

GROUP'S ECONOMIC INTEREST IN MERALCO IMMEDIATELY FOLLOWING CLOSING OF THE BEACON ACQUISITION AND THE PLACING

As at the date of this announcement, MPIC owns approximately 15.0% in Meralco directly and, together with a further effective economic interest of approximately 26.2% in Meralco through its 75% economic interest in Beacon, has an effective economic interest of approximately 41.2% in Meralco.

Following completion of the Placing and the Beacon Acquisition, MPIC will own approximately 10.5% in Meralco directly and a further effective economic interest of approximately 35.0% in Meralco through its 100% economic interest in Beacon, thereby taking MPIC's effective economic interest in Meralco to approximately 45.5%. Meralco will continue to be an equity-accounted for associated company of the Group following completion of the Placing and the Beacon Acquisition.

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 75% by MPIC and as to the balance of 25% by PCEV. Beacon is an equity-accounted for joint venture of the Group, as a result of PCEV's right to exercise 50% of the voting rights in respect of Beacon. Following completion of the Beacon Acquisition, the financial results of Beacon will be consolidated (instead of being equity-accounted for) in the financial statements of the Group.

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. Beacon's wholly-owned subsidiary, Beacon PowerGen Holdings, Inc., holds a 56% interest in Global Power. Global Power is a holding company that, through its subsidiaries, is a leading power supplier in the Visayas Region and Mindoro Island. Following completion of the Beacon Acquisition, the financial results of Global Power will be consolidated (instead of being equity-accounted for) in the financial statements of the Group.

For the financial year ended 31 December 2016, Beacon's audited profits before taxation were Php9.2 billion (equivalent to approximately US\$193.0 million or HK\$1.5 billion) and Beacon's audited profits after taxation were Php9.2 billion (equivalent to approximately US\$193.0 million or HK\$1.5 billion).

For the financial year ended 31 December 2015, Beacon's audited profits before taxation were Php7.5 billion (equivalent to approximately US\$164.4 million or HK\$1.3 billion) and Beacon's audited profits after taxation were Php7.5 billion (equivalent to approximately US\$164.4 million or HK\$1.3 billion).

As at 31 December 2016, Beacon's audited net asset value was Php106.7 billion (equivalent to approximately US\$2.1 billion or HK\$16.7 billion).

The original acquisition cost of the Beacon Acquisition Shares to PCEV was Php18.7 billion (equivalent to approximately US\$377.0 million or HK\$2.9 billion).

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 25% 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.

INFORMATION IN RELATION TO MERALCO

Meralco is a Philippine corporation with its shares listed on the Philippine Stock Exchange. It is the largest distributor of electricity in the Philippines with a service area spanning 9,337 square kilometres, where approximately a quarter of the total Philippine population resides. It has a customer base of about 6.1 million, comprising commercial, industrial and residential customers.

For the financial year ended 31 December 2016, Meralco's audited consolidated profits before taxation were Php26.7 billion (equivalent to approximately US\$560.1 million or HK\$4.4 billion) and Meralco's audited consolidated profits after taxation were Php19.3 billion (equivalent to approximately US\$404.9 million or HK\$3.2 billion).

For the financial year ended 31 December 2015, Meralco's audited consolidated profits before taxation were Php24.9 billion (equivalent to approximately US\$545.9 million or HK\$4.3 billion) and Meralco's audited consolidated profits after taxation were Php19.2 billion (equivalent to approximately US\$421.0 million or HK\$3.3 billion).

As at 31 December 2016, Meralco's audited consolidated net asset value was Php74.4 billion (equivalent to approximately US\$1.5 billion or HK\$11.7 billion).

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 consumer food products, infrastructure, natural resources and telecommunications.

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 55.0% voting interest and an approximately 42.0% economic interest in MPIC.

INFORMATION IN RELATION TO THE PLACING AGENT

The Placing Agent is principally engaged in financial services. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

IMPLICATIONS UNDER 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 under Chapter 14 of the Listing Rules.

As at the date of this announcement, Beacon is an equity-accounted for joint venture of the Group because, although MPIC holds 75% of the issued share capital of Beacon, pursuant to a voting agreement MPIC is only entitled to exercise 50% of the voting rights in respect of Beacon (PCEV is entitled to exercise the remaining 50%). However, as MPIC holds more than half of Beacon's issued share capital, Beacon is treated as a subsidiary of MPIC for the purposes of the Listing Rules (notwithstanding the existence of the voting agreement). PCEV, as the holder of 25% of Beacon's issued share capital, is a connected person of the Company and the Beacon Acquisition is, therefore, a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Beacon Acquisition is on normal commercial terms or better (as far as the Company is concerned) and PCEV is a connected person of the Company at the subsidiary level. The Board has approved the Beacon Acquisition and the independent non-executive Directors have confirmed that the terms of the Beacon Acquisition are fair and reasonable and that the Beacon Acquisition is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole. Therefore, pursuant to Rule 14A.101 of the Listing Rules, the Beacon Acquisition is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Placing is a disposal of shares in Meralco by the Group. One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Placing exceeds 5% but all the applicable percentage ratios are less than 25%. Accordingly, the Placing is a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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;
“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 13 June 2017 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 Class “A” preferred shares of Beacon, representing 25% of the outstanding Class “A” preferred shares of Beacon;
“Board”	Board of Directors of the Company;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on The Stock Exchange of Hong Kong Limited;
“Director(s)”	the Director(s) of the Company;
“Global Power”	Global Business Power Corporation, a holding company incorporated in the Philippines that, through its subsidiaries, is a leading power supplier in the Visayas Region and Mindoro Island;
“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;

“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;
“Meralco Placing Agreement”	the agreement dated 13 June 2017 entered into between MPIC and the Placing Agent in relation to the Placing;
“Meralco Placing Shares”	a total of 50,719,441 common shares of Meralco each with a par value of Php10.00 (equivalent to approximately US\$0.20 or HK\$1.57) per share to be placed pursuant to the Meralco Placing Agreement;
“MPIC”	Metro Pacific Investments Corporation, a company incorporated in the Philippines and having its shares listed on the Philippine Stock Exchange;
“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;
“Placing”	the placing of the Meralco Placing Shares pursuant to the Meralco Placing Agreement;
“Placing Agent”	UBS AG, Hong Kong Branch;
“Placing Price”	Php250.00 (equivalent to approximately US\$5.04 or HK\$39.31) per Meralco Placing Share;
“PLDT”	PLDT Inc., formerly known as Philippine Long Distance Telephone Company, a company incorporated in the Philippines which is an associated company of the Group and which has its shares listed on the Philippine Stock Exchange and the New York Stock Exchange;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By Order of the Board
First Pacific Company Limited
Nancy L.M. Li
Company Secretary

Hong Kong, 14 June 2017

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 = Php49.6. Percentages and figures expressed have been rounded.

As at the date of this announcement, the Board 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
Ambassador Albert F. del Rosario

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