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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

(Stock code: 00142)

### **EXTENSION OF TERM OF CERTAIN AGREEMENTS RELATING TO CONTINUING TRANSACTIONS ANNOUNCED PURSUANT TO RULE 14A.41 OF THE LISTING RULES**

**AND**

### **NEW CONTINUING CONNECTED TRANSACTIONS**

#### **Introduction**

Reference is made to the Announcement of the Company dated 13 August 2008 relating to certain agreements entered into between Maynilad and DMCI in respect of continuing transactions, which are subject to reporting and disclosure requirements under Rule 14A.41 of the Listing Rules.

#### **Extension of term of certain of the Agreements announced pursuant to Rule 14A.41 of the Listing Rules**

Under Rule 14A.41 of the Listing Rules, the Company is required to re-comply with all applicable reporting, disclosure and independent shareholders' approval requirements of a continuing connected transaction under the Listing Rules, upon any variation or renewal of any of the Agreements.

The terms of four of the Agreements have been extended. In compliance with the Listing Rules, the Company announces the new expiry dates of the said four agreements. All other terms of the Extended Agreements remained unchanged.

#### **New Continuing Connected Transactions**

The Company also announces the entering into between DMCI and Maynilad of the New Agreements.

The considerations in respect of the New Agreements are based on the bidding price. The New Agreements were entered into on normal commercial terms, in the ordinary course of business of Maynilad and DMCI on an arm's length basis.

#### **Description of the Connected Relationship**

First Pacific group has approximately 55% interest (on a fully-diluted basis) in DMWC, the holding company of Maynilad. By virtue of Rule 14A.11 of the Listing Rules, the remaining 45% shareholder of DMWC, DMCI is a connected person of the Company. Accordingly, each of the New Agreements constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

#### **Listing Rules Implications**

Based on five test calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the New Agreements, when aggregated with the percentage ratios in respect of the Agreements, are less than 2.5%, the New Agreements are therefore, subject to the reporting and announcement requirements of Rule 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval under the Listing Rules.

#### **Introduction**

Reference is made to the announcement (the "Announcement") of First Pacific Company Limited ("First Pacific" or the "Company") dated 13 August 2008, relating to certain agreements ("Agreements") entered into between Maynilad Water Services Inc. ("Maynilad") and DMCI Holdings Inc. ("DMCI") in respect of continuing transactions which are subject to reporting and disclosure requirements under Rule 14A.41 of the Rules Governing The Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

#### **Extension of term of certain of the Agreements announced pursuant to Rule 14A.41 of the Listing Rules**

Under Rule 14A.41 of the Listing Rules, the Company is required to re-comply with all applicable reporting, disclosure and independent shareholders' approval requirements of a continuing connected transaction under the Listing Rules, upon any variation or renewal of any of the Agreements.

The terms of four of the Agreements entered into between Maynilad and DMCI ("Extended Agreements") have been extended. In compliance with the Listing Rules, the Company announces the new expiry dates of the said four agreements. All other terms of the Extended Agreements remained unchanged.

1. Date of Contract: 3 March 2008  
 Previous Expiry: 15 September 2008  
 Date of Extension: 12 September 2008  
 New Expiry: 15 November 2008  
 Subject Matter: Construction contract for insertion/replacement of valve, involving supply of labour, equipment and materials  
 Consideration: Php16,500,000.00 (approximately US\$373,303 and approximately HK\$2,911,765)
  
2. Date of Contract: 3 March 2008  
 Previous Expiry: 15 September 2008  
 Date of Extension: 12 September 2008  
 New Expiry: 15 November 2008  
 Subject Matter: Construction contract for insertion/replacement of valve, involving supply of labour, equipment and materials  
 Consideration: Php19,000,000.00 (approximately US\$429,864 and approximately HK\$3,352,941)
  
3. Date of Contract: 18 February 2008  
 Previous Expiry: 15 September 2008  
 Date of Extension: 12 September 2008  
 New Expiry: 15 November 2008  
 Subject Matter: Construction contract in respect of insertion/replacement of valve, involving supply of labour, equipment and materials  
 Consideration: Php26,890,328.45 (approximately US\$608,378 and approximately HK\$4,745,352)
  
4. Date of Contract: 1 April 2008  
 Previous Expiry: 14 November 2008  
 Date of Extension: 15 October 2008  
 New Expiry: 14 February 2009  
 Subject Matter: Construction contract for completion of the 2000mmØ Dedicated Line to Pasay Pumping Station -Package 2 Along P. Ocampo St. (formerly Vito Cruz) from Leveriza St. Roxas Blvd. & Along Roxas Blvd. From P. Ocampo St. to San Juan St.  
 Consideration: Php355,000,000.00 (approximately US\$8,031,674 and approximately HK\$62,647,059)

As previously announced, the consideration in respect of all Extended Agreements are arrived at based on the bidding price. The Extended Agreements were entered into on normal commercial terms.

### **New Continuing Connected Transactions**

The Company also announces the entering into between DMCI and Maynilad of the following two agreements (“New Agreements”):

1. Date of Contract: 15 August 2008  
Expiry: 11 May 2009  
Subject Matter: Construction contract in respect of the proposed upgrading of Noveleta Booster Pump Station & Reservoir, Noveleta, Cavite in the Philippines.  
Consideration: Php95,121,295.00 (approximately US\$2,152,065 and approximately HK\$16,786,111)
  
2. Date of Contract: 15 August 2008  
Expiry: 11 January 2009  
Subject Matter: Construction contract in respect of the proposed surge protection and upgrading of North A Pump Station in the Philippines.  
Consideration: Php17,169,000.00 (approximately US\$388,439 and approximately HK\$3,029,824)

The considerations in respect of the New Agreements are based on the bidding price. The New Agreements were entered into on normal commercial terms, in the ordinary course of business of Maynilad and DMCI on an arm’s length basis.

### **Description of the Connected Relationship**

First Pacific group has approximately 55% (on a fully diluted basis) interest in DMCI-MPIC Water Co. Inc. (“DMWC”), the holding company of Maynilad. By virtue of Rule 14A.11 of the Listing Rules, the remaining 45% shareholder of DMWC, DMCI is a connected person of the Company.

Accordingly, each of the New Agreements constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

### **Listing Rules Implications**

Based on five test calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the New Agreements are less than 2.5%, the New Agreements when aggregated with the percentage ratios in respect of the Agreements are therefore, subject to the reporting and announcement requirements of Rule 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders’ approval under the Listing Rules.

## **Reasons for the entering into of the New Agreements**

The directors of the Company (including the independent non-executive directors) believe that the terms of the New Agreements are fair and reasonable and in the interest of the shareholders as a whole. The directors of the Company also believe that the entering into of the New Agreements will be beneficial to the First Pacific group because the contracts have been negotiated on an arm's length basis with a specialist contractor who has a proven record in the industry.

## **General**

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.

DMCI is a leading construction company in the Philippines and currently manages Subic Water & Sewerage Company, Inc. DMCI's shares have been listed on the Philippine Stock Exchange since 1995.

Maynilad is a company incorporated in the Republic of the Philippines and holds an exclusive concession, granted by MWSS on behalf of the Philippine government, to provide water and sewerage services in the area of West Metro Manila.

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

Hong Kong, 28 October 2008

*Unless otherwise stated, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Php44.2 = HK\$7.8. Percentages and figures expressed in millions have been rounded.*

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

Anthoni Salim, <i>Chairman</i>	Tedy Djuhar
Manuel V. Pangilinan, <i>Managing Director and CEO</i>	Sutanto Djuhar
Edward A. Tortorici	Ibrahim Risjad
Robert C. Nicholson	Benny S. Santoso
Napoleon L. Nazareno	Graham L. Pickles*
Ambassador Albert F. del Rosario	Prof. Edward K.Y. Chen*, <i>GBS, CBE, JP</i>
Sir David W.C. Tang*, <i>KBE</i>	

\* *Independent Non-executive Directors*