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FIRST PACIFIC COMPANY LIMITED

第一太平

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached disclosures filed by Metro Pacific Investments Corporation (“MPIC”) with the Philippine Stock Exchange (“PSE”), in relation to its response to PSE’s request for additional information relating to the proposed acquisition by MPIC of a 6.7% stake in Manila Electric Company, together with MPIC’s statement made on 10th November 2009.

Dated this the 12th day of November, 2009

As at the date of this announcement, the Board of Directors of First Pacific Company Limited comprises the following Directors:

Anthoni Salim, *Chairman*
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson
Ambassador Albert F. del Rosario
Napoleon L. Nazareno
Professor Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar
Sutanto Djuhar
Ibrahim Risjad
Benny S. Santoso
Graham L. Pickles*
Sir David W.C. Tang*, *KBE*

**Independent Non-executive Directors*



November 11, 2009

PHILIPPINE STOCK EXCHANGE

4th Floor, PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention: Ms. Janet A. Incarnacion
Head, Disclosure Department

Mr. Norberto T. Moreno Jr.
Assistant Head, Disclosure Department

Ms. France Alexandra M. Du
Specialist, Disclosure Department

Ladies and Gentlemen:

We refer to your letter dated November 10, 2009. Following are our responses to your request for additional request for information:

(1) The exercise price is a negotiated price for the call option (the "Call Option") that will be granted by First Philippine Holdings Corporation ("First Holdings") to Metro Pacific Investments Corporation ("MPIC") for the 6.7% Meralco common shares (the "Subject Shares") and was influenced significantly by a competing offer submitted by Triratna Holdings Corporation. The original proposal of MPIC to First Holdings was for a lower exercise price, which was determined based on arms' length negotiations between the parties having regard to the trend of the market price and future business prospects of Meralco, the premium for the "swing vote" that the Subject Shares represent and First Holdings' commitment for a "standstill arrangement" in respect of further disposition of the remaining 6.7% Meralco shares held by the Lopez Group. Under the "standstill arrangement" First Holdings may not, for a period of three (3) years commencing on the date of the Shareholders Agreement to be executed by the parties pursuant to the Term Sheet, sell, transfer or alienate any of the Meralco Shares it owns, except (i) in favor of MPIC or (ii) under certain limited conditions specified in the Term Sheet.

The option premium will be determined at the time of the execution of the Call Option using the Black-Scholes option pricing model in Bloomberg. Consistent with the independent nature of the option consideration, the option premium will be forfeited in the event MPIC opts not to exercise the Call Option. The option premium is also not creditable to or deductible from the purchase price of the Subject Shares in the event MPIC exercises the Call Option.

(2) Unless and until the Call Option is exercised, First Holdings: (a) will retain full voting rights over the Subject Shares, including the right to vote the Subject Shares in respect of election of Meralco directors and for all shareholders' matter are retained by First Holdings, and (b) will have no obligation to vote the Subject Shares in order to elect MPIC's nominee to the Meralco Board or to replace First Holdings' nominee in the Board with an MPIC nominee.

(3) The terms of the Call Option are still being negotiated and MPIC will make the appropriate disclosure when the Call Option is executed by the parties.

(4) The existing Investment and Cooperation Agreement dated March 12, 2009 between, among other parties, First Holdings and Pilipino Telephone Corporation ("Piltel") (the "Investment and Cooperation Agreement") and the Cooperation Agreement dated March 12, 2009 between Lopez Inc. and MPIC, both of which the relevant parties executed prior to the execution of the Term Sheet, have not been superseded or otherwise amended or changed by the Term Sheet and they continue to govern the relations of the parties therein, including First Holdings and MPIC, in respect of their shareholdings in Meralco. The Shareholders Agreement to be executed by MPIC and First Holdings pursuant to the Term Sheet, the basic terms of which are set out in MPIC's disclosure dated November 9, 2009 attached hereto for reference, will be based on the Investment and Cooperation Agreement, subject to the inclusion of new provisions, among others, on the "standstill arrangement" and the assurance that First Holdings will have one board seat for as long as it holds no less than 5% of the outstanding common shares of Meralco.

(5) If it decides to exercise the Call Option, MPIC will not have an obligation and does not intend to conduct a tender offer to the other shareholders of Meralco. We attach, in this connection, a copy of MPIC's Statement confirming that the transactions relating to the Subject Shares will not trigger any mandatory tender offer obligation on its part.

Very truly yours,



JOSE MA. K. LIM
President & CEO



ANDREW G. SHEPHERD
CHIEF FINANCE OFFICER

Metro Pacific Investments Corporation



Statement of Metro Pacific Investments Corporation
November 10, 2009

In response to the statement of the Government Service Insurance System (“GSIS”) published in today’s newspapers claiming that the execution of a legally binding Term Sheet dated November 5, 2009 (the “Term Sheet”) by First Philippine Holdings Corporation (“First Holdings”) and Metro Pacific Investments Corporation (“MPIC”) in respect of 74.7 million common shares of Manila Electric Company (“Meralco”) representing 6.7% of the outstanding Meralco common shares owned by First Holdings (the “Subject Shares”) triggers a mandatory tender offer obligation, MPIC has the following statements to make:

(1) MPIC has obtained advice from Philippine counsel which sets out the latter’s opinion that the execution and delivery by MPIC of the Term Sheet, the extension of a loan in the amount of Php11,205,000,000 to First Holdings or its designated subsidiary (the “Loan”) and the grant by First Holdings of a call option on the Subject Shares in favor of MPIC (the “Call Option”), or the exercise of the Call Option by MPIC under the circumstances set out in such opinion, would not, in each case, trigger a mandatory tender offer obligation under the Philippine Securities Regulations Code (“SRC”) or its Amended Implementing Rules and Regulations (“IRR”).

(2) The GSIS claims that the mere extension of the Loan would trigger a mandatory tender offer obligation on the part of MPIC.

The grant of the Loan does not constitute payment of the purchase price of the Subject Shares. The Loan is interest bearing and secured by a pledge over securities other than the Subject Shares and is a commercial transaction independent of the Call Option, which has yet to be granted to MPIC and which is due to be granted not later than January 15, 2010. MPIC is entitled to the repayment of the Loan on its due date.

In respect of the Call Option, the established rule is that mere granting of an option to purchase is not a sale or purchase because a call option may or may not be exercised.

Under the Term Sheet the exercise of the Call Option by MPIC is subject to all appropriate corporate approvals being obtained, including shareholders' approval of First Pacific Company Limited if required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There is, therefore, no certainty that the Call Option will be exercised.

(3) In any event, a mandatory tender offer under Rule 19 of the IRR will be triggered by the acquisition of 35% or more equity in Meralco by MPIC/Pilipino Telephone Company (“Piltel”) Group (the “Group”) within a twelve-month period (the “35% Threshold”).

SRC Rule 19 (3) (vi) of the IRR exempts open market purchases from the tender offer obligation.

While the Group holds a combined 34.7% of Meralco common shares (14.7% for MPIC and 20% for Piltel), only the 20% Meralco shares were acquired by Piltel from the Lopez Group, while the 14.7% Meralco shares held by MPIC were acquired through open market purchases.

Applying the exemption under SRC Rule 19 (3) (vi) of the IRR, only the acquisition by Piltel of 20% common shares from the Lopez Group would be counted in determining if the 35% Threshold has been breached and all open market purchases representing the 14.7% held by MPIC will be excluded.