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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated with limited liability under the laws of Bermuda)*

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

**(Stock code: 00142)**

### **ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTIONS AND THE RIGHTS ISSUE**

The Company refers to its announcement dated 10 November 2009 in relation to discloseable transactions, involving the entering into of a Term Sheet in connection with the provision of a Loan by MPIC to FPHC and an agreement for FPHC to grant a Call Option to MPIC in respect of common shares representing approximately 6.7% of the outstanding issued common shares of Meralco.

As stated in the Company's 10 November announcement, and on page 25 of the Supplementary Prospectus issued by the Company in connection with the Rights Issue, MPIC previously obtained advice from Philippine counsel which sets out the latter's opinion that the execution and delivery by MPIC of the Term Sheet, the Loan and the Call Option, or an 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 Regulation Code or its Amended Implementing Rules and Regulations.

On 23 November 2009, MPIC received a letter from the PSE requiring MPIC to comment by 12:00 pm on 24 November, 2009 on a letter from the GSIS (a shareholder of Meralco) to the PSE, pursuant to which GSIS formally lodged a complaint against MPIC. The letter from GSIS alleges, among other things, that MPIC has circumvented the Tender Offer Rules and misrepresented its total number of “open market acquisitions” of Meralco shares. The GSIS letter seeks the immediate suspension of trading of MPIC’s shares on the PSE and, after due proceedings, the delisting of MPIC from the PSE.

At the request of MPIC, MPIC’s Philippine counsel have reviewed the GSIS complaint and have reiterated and confirmed the advice previously given by MPIC’s Philippine counsel (summarised in the Company’s 10 November announcement and on page 25 of the Supplementary Prospectus), to the effect that the execution and delivery by MPIC of the Term Sheet, the Loan and the Call Option, or an exercise of the Call Option by MPIC under the circumstances set out in Philippine counsel’s opinion would not, in each case, trigger a mandatory offer obligation under the Tender Offer Rules.

The Rights Issue will proceed in accordance with the Revised Expected Timetable set out in the Supplementary Prospectus.

First Pacific Company Limited (the “Company”) refers to its announcement dated 10 November 2009 (the “10 November Announcement”) which announced, among other things, that MPIC had entered into a Term Sheet with FPHC on 5 November 2009 in connection with:

- (1) the provision of a Loan in the amount of approximately PhP11.2 billion (equivalent to approximately US\$233.3 million or approximately HK\$1,808.3 million) by MPIC to FPHC or its designated wholly owned subsidiary; and
- (2) the agreement of FPHC to grant to MPIC a Call Option relating to approximately 74.7 million common shares of Meralco (representing approximately 6.7% of the total current outstanding common shares of Meralco) owned by FPHC.

Unless the context otherwise requires, capitalised terms and expressions used in this announcement which are not defined herein shall have the respective meanings assigned to those terms and expressions in the 10 November Announcement.

As stated in the 10 November Announcement and on page 25 of the Supplementary Prospectus issued by the Company in connection with its Rights Issue, MPIC has previously obtained advice from Philippine counsel which sets out the latter’s opinion that the execution and delivery by MPIC of the Term Sheet, the Loan and the Call Option, or an 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 Regulation Code or its Amended Implementing Rules and Regulations (collectively, the “Tender Offer Rules”).

On 23 November 2009, MPIC received a letter from the Philippine Stock Exchange (“PSE”) requiring MPIC to comment by 12:00 pm on 24 November, 2009 on a letter from the Government Service Insurance System (“GSIS”) dated 20 November, 2009 addressed to the PSE, pursuant to which GSIS formally lodged a complaint against MPIC. GSIS is a shareholder of Meralco. The letter from GSIS alleges, among other things, that MPIC has circumvented the Tender Offer Rules and misrepresented that its total number of “open market acquisitions” of Meralco shares represent 14.7% of Meralco’s issued common shares instead of just 1.7% (“open market acquisitions” are exempt under the Tender Offer Rules for the purpose of determining whether the 35% threshold for triggering a mandatory tender offer has been reached). The GSIS letter seeks the immediate suspension of trading of MPIC’s shares on the PSE and, after due proceedings, the delisting of MPIC from the PSE.

At the request of MPIC, MPIC’s Philippine counsel have reviewed the GSIS complaint and have reiterated and confirmed the advice previously given by MPIC’s Philippine counsel (summarised in the 10 November Announcement and on page 25 of the Supplementary Prospectus), to the effect that the execution and delivery by MPIC of the Term Sheet, the Loan and the Call Option, or an exercise of the Call Option by MPIC under the circumstances set out in Philippine counsel’s opinion would not, in each case, trigger a mandatory offer obligation under the Tender Offer Rules.

The Rights Issue will proceed in accordance with the Revised Expected Timetable set out in the Supplementary Prospectus.

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

Hong Kong, 23 November 2009

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* GBS, CBE, JP
Sir David W.C. Tang*, KBE	

\* *Independent Non-executive Directors*

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