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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)**

### **DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

The Directors are pleased to announce that on 8 July 2011, MPHI (a Philippine affiliate of the Company) entered into the following transactions:

- (a) the Placing by MPHI of 1,208.9 million existing MPIC Shares held by it representing approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement. The proceeds of the Placing will be applied by MPHI in the Top-up Subscription of new MPIC Shares in an amount equal to the aggregate number of MPIC Shares sold by MPHI under the Placing. The Placing and the Top-up Subscription are expected to raise gross proceeds for MPIC in the amount of approximately Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million); and

- (b) the Additional Subscription by MPHI of 1,191.1 million new MPIC Shares, resulting in an increase of MPHI's attributable interest in MPIC to an aggregate of 14.4 billion MPIC Shares, representing approximately 58.6% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription.

As at the date of this announcement, MPHI holds an attributable economic interest in an aggregate of 13.2 billion MPIC Shares, representing approximately 59.6% of the existing issued and outstanding common shares of MPIC and approximately 53.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares if the Placing Agreement, the Top-up Subscription Agreement and the Additional Subscription Agreement proceed to closing.

In connection with the arrangements described above, on 8 July 2011, MPHI entered into:

- (a) the Placing Agreement with the Placement Agents and MPIC with respect to the offer and sale to purchasers procured by the Placement Agents and, failing which, to the Placement Agents, of the Offer Shares, which represent approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement, at the Offering Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Offer Share;
- (b) the Top-up Subscription Agreement with MPIC, pursuant to which MPHI has conditionally agreed to subscribe for such number of Top-up Subscription Shares, equal to the aggregate number of Offer Shares sold by MPHI under the Placing, at the Top-up Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Top-up Subscription Share; and
- (c) the Additional Subscription Agreement with MPIC, pursuant to which MPHI has agreed to subscribe to the Additional Subscription Shares, at the Additional Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Additional Subscription Share. The Additional Subscription Shares represent (i) approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement; (ii) approximately 4.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription.

## **LISTING RULES IMPLICATIONS**

The percentage ratios in respect of the disposal constituted by the Placing are each less than 5%.

On 25 April 2011, MPHI exercised its conversion rights with respect to the Convertible Bonds into 2.0 billion Conversion Shares, representing approximately 9.2% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Conversion Shares.

The applicable percentage ratios in respect of each of the Top-up Subscription, the Additional Subscription and the Conversion, if considered separately, would be less than 5%. However, when the Additional Subscription and the Conversion are aggregated pursuant to Rule 14.22 of the Listing Rules, one or more of the percentage ratios exceeds 5% but none of them exceeds 25%. Accordingly, the entering into of the Additional Subscription Agreement and the Conversion by MPHI, when aggregated pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction for the Company under the Listing Rules.

## **INTRODUCTION**

The Directors are pleased to announce that on 8 July 2011, MPHI (a Philippine affiliate of the Company) entered into the following transactions:

- (a) the Placing by MPHI of 1,208.9 million existing MPIC Shares held by it representing approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement. The proceeds of the Placing will be applied by MPHI in the Top-up Subscription of new MPIC Shares in an amount equal to the aggregate number of MPIC Shares sold by MPHI under the Placing. The Placing and the Top-up Subscription are expected to raise gross proceeds for MPIC in the amount of approximately Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million); and
- (b) the Additional Subscription by MPHI of 1,191.1 million new MPIC Shares, resulting in an increase of MPHI's attributable interest in MPIC to an aggregate of 14.4 billion MPIC Shares, representing approximately 58.6% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription.

As at the date of this announcement, MPHI holds an attributable economic interest in an aggregate of 13.2 billion MPIC Shares, representing approximately 59.6% of the existing issued and outstanding common shares of MPIC and approximately 53.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares if the Placing Agreement, the Top-up Subscription Agreement and the Additional Subscription Agreement proceed to closing.

In connection with the arrangements described above, on 8 July 2011, MPHI entered into:

- (a) the Placing Agreement with the Placement Agents and MPIC with respect to the offer and sale to purchasers procured by the Placement Agents and, failing which, to the Placement Agents, of the Offer Shares, which represent approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement, at the Offering Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Offer Share;
- (b) the Top-up Subscription Agreement with MPIC, pursuant to which MPHI has conditionally agreed to subscribe for such number of Top-up Subscription Shares, equal to the aggregate number of Offer Shares sold by MPHI under the Placing, at the Top-up Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Top-up Subscription Share; and
- (c) the Additional Subscription Agreement with MPIC, pursuant to which MPHI has agreed to subscribe to the Additional Subscription Shares, at the Additional Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Additional Subscription Share. The Additional Subscription Shares represent (i) approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement; (ii) approximately 4.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription.

## **THE PLACING AGREEMENT**

On 8 July 2011, MPHI entered into the Placing Agreement with the Placement Agents and MPIC pursuant to which MPHI agreed to sell the Offer Shares to purchasers procured by the Placement Agents and, failing which, to the Placement Agents; and each Placement Agent agreed, severally and not jointly, with MPHI to procure purchasers for the Offer Shares committed by it as set out in the Placing Agreement and, failing which, to purchase the said Offer Shares, on the Placing Completion Date at the Offering Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Offer Share. The aggregate amount of gross proceeds to be raised under the Placing is therefore, Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million).

### **Placement Agents**

Each of the Placement Agents will receive a selling fee equal to the product of 1% of the Offering Price multiplied by the number of Offer Shares it has committed to procure purchasers for, or failing which, to purchase, as set out in the Placing Agreement. The selling fee was arrived at after arm's length negotiations between MPHI, MPIC and the Placement Agents. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Placement Agents and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

## **Offering Price**

The Offering Price was determined with reference to the prevailing market price of the MPIC Shares and was negotiated on an arm's length basis between MPHI, MPIC and the Placement Agents on the date of the Placing Agreement and the Top-up Subscription Agreement.

The Offering Price represents (a) approximately 5.0% discount to the closing price of MPIC Shares as at 7 July 2011 and (b) approximately 1.1% premium over the volume weighted average of the closing prices of MPIC Shares as quoted on the PSE for a period of 30 trading days prior to the sale of the Offer Shares.

## **Placee**

The Offer Shares will be sold (i) primarily offshore outside the Philippines by way of marketed placing to investors outside the U.S. in reliance on Regulation S under the U.S. Securities Act and within the U.S. to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act or another exemption from registration under the U.S. Securities Act and (ii) to a limited extent domestically to (1) qualified buyers pursuant to Section 10(l) of the SRC; and (2) not more than 19 non-qualified buyers pursuant to Section 10(k) of the SRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the purchasers under the Placing and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **Registration requirements on any resale of the Offer Shares**

The Offer Shares are being offered and sold outside the U.S. in reliance on Regulation S under the U.S. Securities Act and within the U.S. to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the U.S. Securities Act or another exemption from registration under the U.S. Securities Act. The Offer Shares are also being offered and sold in the Philippines in transactions that will not require registration under the SRC. Accordingly, the sale of the Offer Shares is exempt from the registration requirements of the SRC and is not and will not be registered with the SEC. Any resale of the Offer Shares by the buyers thereof is subject to the registration requirements of the SRC unless such offer or sale qualifies as an exempt transaction in accordance with the applicable requirements of the SRC.

## **Conditions Precedent of the Placing Agreement**

Closing of the Placing Agreement is subject to, among others, the following conditions:

- (a) on or prior to the Placing Completion Date, delivery to the Placement Agents of Philippines and U.S. legal opinions with respect to the validity of the Offer Shares, the Placing and other related matters as the Placement Agents may require;
- (b) on or prior to the Placing Completion Date, the obligations of each of the parties to the Top-up Subscription Agreement becoming unconditional; and

- (c) at or prior to the Placing Completion Date there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the condition (financial or other), business, properties, results of operations or general affairs of MPIC, which, as determined in the sole discretion of the Placement Agents, is material and adverse and which makes it, as determined in the sole discretion of the Placement Agents, impracticable to market the Offer Shares or which in the sole discretion of the Placement Agents, is likely to prejudice materially the success of the offering or dealings in the MPIC Shares in the secondary market.

If any of the conditions set forth in the Placing Agreement are not satisfied on or prior to the Placing Completion Date, the parties to the Placing Agreement shall be released and discharged from their respective obligations under the Placing Agreement (except for the liability of MPIC for the payment of the relevant costs and expenses as set out in the Placing Agreement and for the respective obligations of the parties pursuant to the indemnity provisions in the Placing Agreement). The Placement Agents may, at their discretion, waive compliance with the whole or any part of the clause relating to conditions precedent in the Placing Agreement.

### **Closing**

The Placing is expected to be completed on the Placing Completion Date, being 13 July 2011 or such other date as the Placement Agents and MPHI may agree in writing.

### **Termination**

The obligations of the Placement Agents under the Placing Agreement shall be subject to termination in their absolute discretion if (1) since the time of execution of the Placing Agreement, there has been any event or development which has a material adverse effect (being a material adverse effect or event reasonably expected to result in a prospective material adverse effect in the condition (financial or other), results of operations, business or properties of MPIC or any of its subsidiaries taken as a whole whether or not arising in the ordinary course of business) which would, in the Placement Agents' judgment make it impracticable or inadvisable to proceed with the Placing or the delivery of the Offer Shares, or (2) there shall have occurred, among others:

- (a) any material adverse change in the financial markets in the U.S., the United Kingdom, the Philippines or the international financial markets, or any outbreak or escalation of hostilities or other calamity or crisis or any change or any development involving a prospective change in the Philippines, national or international political, financial or economic conditions or currency exchange rates or exchange controls in each case the effect of which is such as to make it, in the sole judgment of the Placement Agents, impracticable or inadvisable to proceed with the Placing in the manner contemplated by the Placing Agreement or to enforce contracts for the sale of the Offer Shares; or



- (b) trading in any securities of MPIC has been suspended or materially limited by the SEC or if trading generally on the PSE has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by the PSE or by order of the SEC or any other governmental authority; or
- (c) a material adverse change or development occurs involving a prospective material adverse change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in the Philippines, the U.S., the European Union (or any member thereof), or elsewhere;
- (d) any material adverse event, or series of events, beyond the control of the Placement Agents including without limitation, any acts of God, acts of government, war, riot, public disorder, civil commotion, fire, flooding, explosion, epidemic (including but not limited to severe acute respiratory syndrome and avian flu), terrorism, strike or lockout shall have occurred, happened or come into effect;

which, in each case in the sole opinion of the Placement Agents (i) makes it impracticable or inadvisable to proceed with the offering or the delivery of the Offer Shares; (ii) would be likely to prejudice materially the success of the offering and distribution of the Offer Shares; (iii) is or will make it impracticable to proceed with the Placing; or (iv) is or will make it impracticable or inadvisable for any material part of the Placing Agreement to be performed or implemented as envisaged. If the Placement Agents elect to terminate the Placing, MPIC and MPHI shall be notified promptly in writing.

## **THE TOP-UP SUBSCRIPTION AGREEMENT**

On 8 July 2011, MPHI and MPIC entered into the Top-up Subscription Agreement, pursuant to which MPHI has agreed to subscribe for, and MPIC has agreed to issue, such number of Top-up Subscription Shares, equal to the aggregate number of Offer Shares sold by MPHI under the Placing, at the Top-up Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Top-up Subscription Share. The aggregate amount of subscription price under the Top-up Subscription Agreement is, therefore, Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million).

### **Top-up Subscription Price**

The aggregate subscription price of Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million) payable by MPHI under the Top-up Subscription Agreement shall be made in immediately available funds to MPIC on the Placing Completion Date.

The Top-up Subscription Price is the same as the Offering Price and was determined after arm's length negotiation between MPIC and MPHI with reference to the Offering Price.

## **Conditions Precedent of the Top-up Subscription Agreement**

The Top-up Subscription Agreement is conditional upon, among others, the following:

- (i) the due execution and performance by the parties of their respective obligations under the Placing Agreement; and
- (ii) the completion of the Placing and receipt by MPHI of the proceeds of the Placing in accordance with the Placing Agreement.

## **Issuance of the Top-up Subscription Shares and the application for the listing of the Top-up Subscription Shares**

No later than seven (7) business days from full payment by MPHI of the aggregate subscription price of Php 4.4 billion (equivalent to approximately US\$101.5 million or HK\$791.6 million) in accordance with the Top-up Subscription Agreement, MPIC shall cause the recording of MPHI's subscription of the Top-up Subscription Shares with MPIC's stock and transfer agent.

Pursuant to the Top-up Subscription Agreement, MPIC shall apply for and secure the approval of the listing of the Top-up Subscription Shares with the PSE within a reasonable time from the issuance of the Top-up Subscription Shares. After obtaining the approval of the listing of the Top-up Subscription Shares on the PSE, MPIC shall apply for and secure the conversion of the Top-up Subscription Shares into scripless form.

## **THE ADDITIONAL SUBSCRIPTION AGREEMENT**

On 8 July 2011, MPHI entered into the Additional Subscription Agreement with MPIC, pursuant to which MPHI has agreed to subscribe the Additional Subscription Shares, at the Additional Subscription Price of Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Additional Subscription Share. The aggregate amount of subscription price payable under the Additional Subscription Agreement is, therefore, Php 4.3 billion (equivalent to approximately US\$100 million or HK\$780 million).

The Additional Subscription Shares represent (i) approximately 5.4% of the existing issued and outstanding common shares of MPIC as at the date of this announcement; (ii) approximately 4.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription.

Upon completion of the Placing, the Top-up Subscription and the Additional Subscription, MPHI will have an attributable interest in an aggregate of 14.4 billion MPIC Shares, representing approximately 58.6% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares.



### **Subscription price for the Additional Subscription Shares**

The aggregate subscription price of Php 4.3 billion (equivalent to approximately US\$100 million or HK\$780 million) payable by MPHI under the Additional Subscription Agreement shall be made in immediately available funds to MPIC on or before 13 July 2011.

The Additional Subscription Price is the same as the Top-up Subscription Price and the Offering Price, and was determined after arm's length negotiation between MPIC and MPHI with reference to the Offering Price and the Top-up Subscription Price.

### **Conditions Precedent of the Additional Subscription Agreement**

The Additional Subscription Agreement is conditional upon, among others, the due execution and performance by the parties of their respective obligations under the Placing Agreement and the Top-up Subscription Agreement, including the completion of the Placing and receipt by MPHI of the proceeds of the Placing in accordance with the terms of the Placing Agreement.

### **The Additional Subscription Shares**

No later than seven (7) business days from full payment by MPHI of the aggregate subscription price of Php 4.3 billion (equivalent to approximately US\$100 million or HK\$780 million) in accordance with the Additional Subscription Agreement, MPIC shall cause the recording of MPHI's subscription of the Additional Subscription Shares with MPIC's stock and transfer agent.

Pursuant to the Additional Subscription Agreement, MPIC shall apply for and secure the approval of the listing of the Additional Subscription Shares with the PSE within a reasonable time from the issuance of the Additional Subscription Shares. After obtaining the approval of the listing of the Additional Subscription Shares on the PSE, MPIC shall apply for and secure the conversion of the Additional Subscription Shares into scripless form.

### **LISTING RULES IMPLICATIONS**

The percentage ratios in respect of the disposal constituted by the Placing are each less than 5%.

On 25 April 2011, MPHI exercised its conversion rights with respect to the Convertible Bonds into 2.0 billion Conversion Shares, representing approximately 9.2% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Conversion Shares.

The applicable percentage ratios in respect of each of the Top-up Subscription, the Additional Subscription and the Conversion, if considered separately, would be less than 5%. However, when the Additional Subscription and the Conversion are aggregated pursuant to Rule 14.22 of the Listing Rules, one or more of the percentage ratios exceeds 5% but none of them exceeds 25%. Accordingly, the entering into of the Additional Subscription Agreement and the Conversion by MPHI, when aggregated pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction for the Company under the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE PLACING, THE TOP-UP SUBSCRIPTION AND THE ADDITIONAL SUBSCRIPTION**

The net proceeds to be raised from the Placing, the Top-up Subscription and the Additional Subscription will be directed towards MPIC's toll roads subsidiary, which has now made substantial progress in its efforts to acquire additional toll roads and in its development of existing projects.

As a result of the Placing, the Top-up Subscription and the Additional Subscription, the Company will not recognise any gain or loss.

The Additional Subscription and the Conversion will increase the Group's investment in MPIC so that the Company's shareholders will continue to enjoy the benefits from future development and growth of MPIC's business. In addition, the Company considers that the Additional Subscription Agreement and the Conversion provide a good opportunity to the Group to further invest in MPIC.

Accordingly, the Directors consider that each of the Placing, the Top-up Subscription, the Additional Subscription and the Conversion by MPHI are in the interest of the Company and the Shareholders as a whole and that the terms of each of the Placing Agreement, the Top-up Subscription Agreement, the Additional Subscription Agreement and the Conversion of the Convertible Bonds are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION IN RESPECT OF MPIC**

MPIC is a Philippine affiliate of the Company. It is an investment management and holding company focused on infrastructure development, and has common shares listed on the PSE.

The audited consolidated net assets of MPIC as at 31 December 2010 were approximately Php 54,218 million (equivalent to approximately US\$1,236.7 million or HK\$9,646.5 million).

The audited consolidated net profit of MPIC for the year ended 31 December 2010 was approximately Php 5,413 million (equivalent to approximately US\$120.2 million or HK\$937.4 million) before tax and minority interests and approximately Php 2,871 million (equivalent to approximately US\$63.7 million or HK\$497.2 million) after tax and minority interests. The audited consolidated net profit of MPIC for the year ended 31 December 2009 was approximately Php 4,332 million (equivalent to approximately US\$90.6 million or HK\$706.7 million) before tax and minority interests and Php 2,300 million (equivalent to approximately US\$48.1 million or HK\$375.2 million) after tax and minority interests.

MPIC is not a connected person of the Company under the Listing Rules.

### **INFORMATION IN RESPECT OF MPHI**

MPHI is a Philippine affiliate of the Company. It is an investment holding company.

MPHI is not a connected person of the Company under the Listing Rules.

### **INFORMATION IN RESPECT OF THE COMPANY**

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.

### **DEFINITIONS**

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

“Additional Subscription”	the subscription of the Additional Subscription Shares by MPHI pursuant to the terms of the Additional Subscription Agreement;
“Additional Subscription Agreement”	the subscription agreement dated 8 July 2011 between MPHI and MPIC in relation to the Additional Subscription;
“Additional Subscription Price”	Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Additional Subscription Share;

“Additional Subscription Shares”	an aggregate of 1,191.1 million MPIC Shares, which represent approximately 4.8% of the issued and outstanding common shares of MPIC as enlarged by the allotment and issue of the Top-up Subscription Shares and the Additional Subscription Shares upon the completion of the Placing, the Top-up Subscription and the Additional Subscription, to be issued by MPIC pursuant to the Additional Subscription Agreement subject to and in accordance with the terms therein;
“Board”	the board of directors of the Company;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Conversion”	the exercise of the conversion rights attached to the Convertible Bonds by MPHI in full on 25 April 2011 resulting in the issue of the Conversion Shares by MPIC to MPHI;
“Conversion Shares”	2.0 billion MPIC Shares which were issued by MPIC to MPHI upon the exercise of the conversion rights in full attached to the Convertible Bonds by MPHI on 25 April 2011;
“Convertible Bonds”	the convertible bonds of an aggregate principal of Php 6.6 billion (equivalent to approximately US\$153.9 million and HK\$1.2 billion) issued by MPIC to MPHI on 30 March 2010;
“Director(s)”	the director(s) of the Company from time to time;
“Group”	the Company and/or its subsidiaries, 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;
“MPHI”	Metro Pacific Holdings, Inc., a company incorporated in the Philippines with limited liability (currently a Philippine affiliate of the Company);

“MPIC”	Metro Pacific Investments Corporation, a company incorporated in the Philippines with limited liability, the shares of which are listed on the PSE;
“MPIC Shares”	common shares with a par value of Php 1.00 (equivalent to approximately US\$0.023 or HK\$0.18) each in the capital of MPIC;
“Offer Shares”	1,208.9 million existing MPIC Shares held and owned by MPHI to be placed pursuant to the Placing Agreement;
“Offering Price”	Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Offer Share;
“Php”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“Placing”	the placing of the Offer Shares by the Placement Agents pursuant to the terms of the Placing Agreement;
“Placement Agents”	J.P. Morgan Securities Ltd., a company incorporated in the United Kingdom and CLSA Limited, a company incorporated in Hong Kong;
“Placing Agreement”	the placing agreement dated 8 July 2011 entered into between MPHI, MPIC and the Placement Agents in relation to the Placing;
“Placing Completion Date”	13 July 2011, or such other date as the Placement Agents and MPHI shall agree in writing;
“PSE”	the Philippine Stock Exchange;
“SEC”	the Philippine Securities and Exchange Commission;
“Shareholders”	the shareholders of the Company;
“SRC”	the Philippine Securities Regulation Code;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Top-up Subscription”	the subscription of the Top-up Subscription Shares by MPHI pursuant to the terms of the Top-up Subscription Agreement;

“Top-up Subscription Agreement”	the agreement dated 8 July 2011 entered into between MPHI and MPIC in relation to the Top-up Subscription;
“Top-up Subscription Price”	Php 3.60 (equivalent to approximately US\$0.084 or HK\$0.65) per Top-up Subscription Share;
“Top-up Subscription Shares”	such number of MPIC Shares which equals to the aggregate number of Offer Shares sold by MPHI under the Placing, to be issued by MPIC pursuant to the Top-up Subscription Agreement subject to and in accordance with the terms therein;
“U.S.”	the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia);
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended;
“US\$”	U.S. dollars, the lawful currency of the U.S.; and
“%”	per cent.

*Unless stated otherwise, translations of quoted currency values in this announcement are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = Php 42.88. Percentages and figures expressed in millions and billions have been rounded.*

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

Hong Kong, 8 July 2011

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

Anthoni Salim, *Chairman*  
Manuel V. Pangilinan, *Managing Director and CEO*  
Edward A. Tortorici  
Robert C. Nicholson  
Graham L. Pickles\*  
Prof. Edward K.Y. Chen\*, *GBS, CBE, JP*

Tedy Djuhar  
Ibrahim Risjad  
Benny S. Santoso  
Napoleon L. Nazareno  
Jun Tang\*  
Dr. Christine K.W. Loh\*, *JP, OBE,*  
*Chevalier de l'Ordre National du Merite*

\* *Independent Non-executive Directors*