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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in First Pacific Company Limited, you should at once hand this Prospectus, together with any enclosed PAL and EAF, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance, and will be filed with the Registrar of Companies in Bermuda as required by the Companies Act 1981 of Bermuda (as amended from time to time) on or as soon as reasonably practicable after the publication of this Prospectus. The Registrar of Companies in Hong Kong, the Registrar of Companies in Bermuda and the SFC take no responsibility for the contents of any of the Prospectus Documents or any other documents referred to above.

**Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.**

**Neither the Prospectus Documents nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful, or distributed to any US persons.**

**Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction, for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, this Prospectus, the PAL or the EAF should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories.**

The securities described in this Prospectus have not been registered under the US Securities Act of 1933, as amended (the “US Securities Act”) or the laws of any state in the United States and may not be offered or sold within the United States, except in certain transactions exempt from registration under the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this Prospectus in the United States or to conduct a public offering of the securities in the United States.

Shareholders and Beneficial Owners are referred to the important information set out in the sections headed “Qualifying Shareholders”, “Distribution of this Prospectus and the other Prospectus Documents”, “Non-Qualifying Shareholders”, “Non-Qualifying Beneficial Owners” and “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue” in this Prospectus. Shareholders and Beneficial Owners in the US, the UK, Canada and Saudi Arabia are specifically referred to the sections of this Prospectus headed “Non-Qualifying Shareholders”, “Non-Qualifying Beneficial Owners” and “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”. Except as otherwise set out herein the Rights Issue described in this Prospectus is not being made to Shareholders, Beneficial Owners or investors in the Specified Territories.

Shareholders, Beneficial Owners and any other persons having possession of this Prospectus and/or any of the other Prospectus Documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any Specified Territory receiving this Prospectus and/or any of the other Prospectus Documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or regulatory or legal requirements in such territory, except as may be agreed to by the Company in its absolute discretion.



## 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)

**PROPOSED RIGHTS ISSUE OF  
FIRST PACIFIC COMPANY LIMITED  
OF 480,194,901 RIGHTS SHARES**

**AT THE SUBSCRIPTION PRICE OF HK\$8.10 PER RIGHTS SHARE  
ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY EIGHT EXISTING SHARES HELD ON THE RECORD DATE**

Underwriter of the Rights Issue



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**The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 3 July 2013. The procedures for acceptance and payment for the Rights Shares are set out in the section of this Prospectus headed “Procedures for Acceptance or Transfer” on pages 24 to 31 of this Prospectus.**

Dealings in the Existing Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

The Rights Issue is conditional upon the fulfilment of the conditions as set out in the section of this Prospectus headed “Conditions of the Rights Issue and the Underwriting Agreement” on pages 39 to 41 of this Prospectus.

The Underwriting Agreement grants the Underwriter the right to terminate its obligations under the Underwriting Agreement by notice to the Company at any time prior to the Latest Time for Termination if: (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement: (i) that any statement contained in any of the Announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or (ii) that any matter has arisen or been discovered which would, if the Announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement, the Prospectus Documents or any supplementary prospectus; or (iii) that the Company is required by any applicable law or regulatory rule to issue a supplementary prospectus in connection with the Rights Issue; or (iv) that any of the warranties given by the Company pursuant to the Underwriting Agreement is (or would if repeated at that time be) untrue or breached; or (v) any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or (vi) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement; or (vii) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of the Company or any of its subsidiaries or PLDT which in the opinion of the Underwriter is material in the context of the Rights Issue; or (viii) any of the obligations or undertakings of the Controlling Shareholder under the Controlling Shareholder’s Undertaking have not been complied with; or (ix) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or (x) any suspension in trading of Shares on the Stock Exchange for a continuous period of more than one Business Day (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of the Announcement); or (b) there develops, occurs, exists or comes into force: (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the Singapore Stock Exchange, the Philippine Stock Exchange or the Indonesia Stock Exchange); or (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business which will or may adversely affect the Company or any of its subsidiaries or PLDT or the present or prospective shareholders of the Company, and which, in any such case and in the absolute opinion of the Underwriter, will or may (A) be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Company, its subsidiaries and PLDT as a whole or the Rights Issue or the success thereof; or (B) make it inadvisable or inexpedient to proceed with the Rights Issue; or (C) have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

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The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. If the Underwriting Agreement does not become unconditional or is terminated by the Underwriter at any time prior to the Latest Time for Termination, the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. Upon the giving of notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach). The Shares have been dealt with on an ex-rights basis from Friday, 7 June 2013 and the Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 20 June 2013 to Thursday, 27 June 2013 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remains unfulfilled. Any person dealing in the securities of the Company up to the date on which such condition is fulfilled or waived and any person dealing in the nil-paid Rights Shares from Thursday, 20 June 2013 to Thursday, 27 June 2013 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his or her position is recommended to consult his or her own professional adviser.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE US, THE UK, CANADA OR SAUDI ARABIA (THE SPECIFIED TERRITORIES). This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL or the EAF will be registered under the securities laws of any of the US, the UK, Canada or Saudi Arabia (the Specified Territories) and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL or the EAF will qualify for distribution under any of the relevant securities laws of any of the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company).

Shareholders with registered addresses in any of the Specified Territories and Beneficial Owners who are residents of the Specified Territories are referred to the sections of this Prospectus headed “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

### **Notice relating to investors in Australia**

This Prospectus does not constitute a disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia (the “Corporations Act 2001 (Cth)”). Accordingly, this Prospectus does not necessarily contain all of the information a prospective investor would expect to be contained in an offering document or which he/she may require to make an investment decision. The offer to which this Prospectus relates is being made in Australia in reliance on Class Order 00/183 issued by the Australian Securities and Investments Commission (“ASIC”) in July 2007. This Prospectus only constitutes an offer in Australia for sale of the nil-paid Rights Shares and fully-paid Rights Shares to persons who are recorded as holders of Shares on the relevant Record Date.

As any offer for the issue of the nil-paid Rights Shares and fully-paid Rights Shares under this Prospectus will be made without disclosure in Australia under Part 6D.2, the offer of those nil-paid Rights Shares and fully-paid Rights Shares for resale in Australia within 12 months of their sale may, under section 707(3) of the Corporations Act 2001 (Cth), require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act 2001 (Cth) apply to that resale and if ASIC Class Order 00/214 does not apply.

This Prospectus is intended to provide general information only and has been prepared by the Company without taking into account any particular person’s objectives, financial situation or needs. Recipients should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Recipients should review and consider the contents of this Prospectus and obtain financial advice (or other appropriate professional advice) specific to their situation before making any decision to accept the offer of the nil-paid Rights Shares and fully-paid Rights Shares. This Prospectus was prepared under the law and operating rules of a foreign market, namely Hong Kong. The Company is not subject to the continuous disclosure requirements of the Corporations Act 2001 (Cth).

### **Notice relating to investors in Bermuda**

The offer of the Rights Shares is not calculated to result, directly or indirectly, in Rights Shares becoming available to persons other than persons whose ordinary business involves the acquisition, disposal or holding of shares (as defined in section 25(1) of the Companies Act 1981), whether as principal or agent, and no invitation has been or will be made by or on behalf of the Company to anyone considered as resident in Bermuda for exchange control purposes, or otherwise to the public in Bermuda, to subscribe for any of the Rights Shares.

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### **Notice relating to investors in Brazil**

The Rights Issue will not be carried out by any means that would constitute a public offering in Brazil under Law 6,385 of 7 December 1976, as amended, and under Comissão de Valores Mobiliários (“CVM”) Instruction 400 of 29 December 2003, as amended. The offer and sale of the Rights Shares have not been and will not constitute a public offer in Brazil. This Prospectus has not been filed or registered with the Brazilian Securities Commission, or CVM. Any public offering or distribution, as defined under Brazilian laws and regulations, of the Rights Shares in Brazil is not legal without such prior registration. Documents relating to the Rights Issue, as well as information contained herein, may not be supplied to the public in Brazil, as the Rights Issue is not a public offering in Brazil, nor may they be used in connection with any offer for sale of the Rights Shares to the general public in Brazil. The Rights Shares (either nil-paid or fully-paid) will not be publicly traded in Brazil.

### **Notice relating to investors in Bulgaria**

To the extent the Rights Issue, or elements thereof, would constitute a public offering for the purposes of the Bulgarian Public Offering of Securities Act 1999 (as amended) (“the Bulgarian Securities Act”) or to the extent the Republic of Bulgaria would qualify as a “host Member State” or “home Member State” for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, additional regulatory filings and public announcements and communications will need to be made in Bulgaria in accordance with the Bulgarian Securities Act.

### **Notice relating to investors in Canada**

Neither the nil-paid Rights Shares nor fully-paid Rights Shares may be distributed, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada except pursuant to an exemption from the requirement to file a prospectus or rights offering circular with regulatory bodies in the province or territory of Canada in which the offer or sale is made and only by a dealer duly registered under applicable laws in circumstances where an exemption from applicable registered dealer registration requirements is not available.

### **Notice relating to investors in France**

Pursuant to Article 3.2.b of the Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, Article L.411-2 of the French Monetary and Financial Code and Article D.411-4 of the same Code, any offer that is exclusively directed to a restricted circle of investors consisting of less than one hundred and fifty investors in France does not constitute a public offering as provided in Article L.411-1 of same Code.

In order to comply with Article 211-3 of the General Regulation of the Autorité des Marchés Financiers (AMF), the Company therefore informs the investors participating in the Rights Issue that:

1. The Rights Issue does not require a prospectus to be submitted for approval to the AMF;
2. Persons or entities referred to in point 2°, Section II of Article L.411-2 of the French Monetary and Financial Code may take part in the Rights Issue solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code;
3. The financial instruments (including, but not limited to, right(s) issue of share(s) and share(s) of the Company) thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

### **Notice relating to investors in Ireland**

This Prospectus, and the information contained herein, has been prepared and is intended for use in Ireland solely by those holders of Existing Shares in Ireland to whom it is sent by the Company. It may not be reproduced, redistributed or passed on to any other persons in Ireland or published in whole or in any part in Ireland for any other purpose. Nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered directly or indirectly into Ireland other than to holders of Existing Shares.

Any offer of securities contained in or considered to arise in or by virtue of this Prospectus is addressed to fewer than 150 persons in Ireland and accordingly there is no requirement to publish a prospectus pursuant to the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 (the “**Irish Prospectus Regulations**”).

Therefore, this Prospectus has not been prepared in accordance with Directive 2003/71/EC (as amended), the Irish Prospectus Regulations or any measures made under such Directive or the laws of Ireland. Furthermore, this Prospectus has not been reviewed by any regulatory authority in any EU Member State.

### **Notice relating to investors in Japan**

In order to comply with Japanese law, PALs sent to Qualifying Shareholders with registered addresses in Japan will not be transferable.

No registration pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (the “FIEA”) has been made or will be made with respect to solicitation of the application for acquisition of Rights Shares on the ground that the solicitation constitutes a “solicitation for a small number of investors” as set forth in Article 23-13, paragraph 4 of the FIEA.

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Prospective investors are prohibited from transferring their nil-paid Rights Shares or fully-paid Rights Shares other than by transferring their rights to a single transferee.

### **Notice relating to investors in Malaysia**

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007 (“CMSA”). However, this Prospectus will be deposited as an information memorandum with the SC within 7 days after the issue of this Prospectus. Accordingly, this Prospectus and any other document or material in connection with the issue or offer for sale, or invitation for acquisition of the nil-paid Rights Shares or fully-paid Rights Shares shall not be circulated nor distributed, nor may the nil-paid Rights Shares or fully-paid Rights Shares be issued, offered or sold, or be made the subject of an invitation for acquisition, whether directly or indirectly, to any person in Malaysia, other than pursuant to the Rights Issue (or other exempted exercise).

The approval of the SC has not been sought and, consequently, the nil-paid Rights Shares and fully-paid Rights Shares may not be made available, or offered for acquisition, nor may any invitation to acquire the nil-paid Rights Shares or fully-paid Rights Shares, whether directly or indirectly, be issued to any person in Malaysia unless such issue, offer or invitation is exempted from the requirement for the approval of the SC by virtue of schedule 5 to the CMSA.

### **Notice relating to investors in Malta**

This offer should not be construed to amount to an offer to the public in Malta since it is being made to less than 150 persons in Malta.

The contents of this Prospectus are not calculated to invite or induce persons to subscribe for or otherwise acquire an instrument and accordingly this document falls outside the parameters of the term investment advertisements as such terms are defined in the Investment Services Act of Malta.

### **Notice relating to investors in Norway**

Shareholders will be responsible for their individual tax liability arising as a result of their acceptance of the offer, or sale of the Rights Shares and for any costs incurred in obtaining advice on this matter. The taxation of each Shareholder in the Company depends on the respective Shareholder’s specific situation, and each Shareholder should thus consult a tax adviser in order to establish the specific tax consequences of an acceptance of the Offer, or sale of shares, as well as the relevance and implications of Norwegian or international tax law and possible amendments thereof.

### **Notice relating to investors in Portugal**

No prospectus has been or will be registered, approved or passported into Portugal in respect of the nil-paid Rights Shares or fully-paid Rights Shares and therefore the nil-paid Rights Shares or fully-paid Rights Shares may not be or caused to be offered, marketed or distributed in Portugal nor may this Prospectus be or be caused to be distributed, disseminated or addressed to Portuguese-resident investors in circumstances that would constitute an offer of securities to the public under the Portuguese Securities Code.

Any potential investor in the securities shall ensure that he is capable of understanding and assuming the risks associated to such an investment decision or seeking for appropriate investment advice.

### **Notice relating to investors in the PRC**

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in any nil-paid Rights Shares or fully-paid Rights Shares, it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident, thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or other resident shall be responsible to compensate the Company for the same.

The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such Shareholder and/or other resident, if in the Company’s absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

### **Notice relating to investors in Saudi Arabia**

This Prospectus may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority (“CMA”).

The CMA does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

### **Notice relating to investors in Singapore**

The offer of nil-paid Rights Shares or fully-paid Rights Shares by the Company is made only to and directed at, and the nil-paid Rights Shares or fully-paid Rights Shares are only available to, persons in Singapore who are existing holders of the Shares previously issued by the Company.

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The Prospectus Documents have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the nil-paid Rights Shares or fully-paid Rights Shares may not be circulated or distributed, nor may the nil-paid Rights Shares or fully-paid Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) existing holders of Shares or (ii) pursuant to, and in accordance with the conditions of, an exemption under Section 274 or Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or, where applicable, Section 276 of the SFA.

### **Notice relating to investors in South Africa**

In order to comply with South African law, PALs sent to Qualifying Shareholders with registered addresses in South Africa will not be transferable. Qualifying Shareholders with registered addresses in South Africa should note that they may require the approval of the South African exchange control authorities if they wish to take up their entitlements. Such persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

### **Notice relating to investors in Spain**

The Rights Issue does not constitute a public offer in Spain according to Article 30 bis of Act 24/1988, of 28 July, on the Securities Market, as amended, and thus, no prospectus in connection therewith shall be registered with the Spanish Securities Market Commission. According to the foregoing, no nil-paid Rights Shares or fully-paid Rights Shares may be publicly offered, sold or delivered, nor may any prospectus or any other offer or publicity material relating to the Rights Issue or the nil-paid Rights Shares or fully-paid Rights Shares be distributed, in the Kingdom of Spain by the Company or any person on its behalf, except in compliance with Spanish law and regulations.

### **Notice relating to investors in Switzerland**

This Prospectus does not constitute an offering prospectus pursuant to Article 652a of the Swiss Code of Obligations (“SCO”). The Rights Shares may be offered or sold only to a select number of individual investors in Switzerland, under circumstances which will not result in the offer of Rights Shares being a public offering within the meaning of Article 652a SCO.

The Prospectus Documents have not been and will not be approved for distribution to non-qualified investors in or from Switzerland by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”). Accordingly, the Rights Shares and the Prospectus Documents and any other document or offering material relating to the Rights Issue may only be distributed in or from Switzerland to “qualified investors” as defined in the Federal Act on Collective Investment Schemes of 23 June 2006 and its implementing ordinances, as amended from time to time, and the most current practice of the FINMA and the competent courts.

### **Notice relating to investors in Taiwan**

In order to comply with Taiwanese law, PALs sent to Qualifying Shareholders with registered addresses in Taiwan will not be transferable. The nil-paid Rights Shares and fully-paid Rights Shares have not been and will not be registered with the Financial Supervisory Commission (“FSC”) of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be offered or sold in Taiwan in the event that any such offer or sale would constitute an offer, distribution, or placement which requires the registration thereof or report thereon with or to the FSC, or its designated agency, under the Securities and Exchange Act or other securities related laws of Taiwan. No individual or entity in Taiwan has been authorised to offer, sell or otherwise advise on the offer or sale of the nil-paid Rights Shares or fully-paid Rights Shares in Taiwan.

### **Notice relating to investors in the UK**

This Prospectus is not a prospectus regulated by the European Union’s Directive 2003/71/EC (and any amendments thereto, including those made by Directive 2010/73/EU) (the “Prospectus Directive”) and accordingly has been prepared on the basis that the Prospectus Documents will be provided in the UK only to, and are directed only (i) to those persons who are “qualified investors” for the purposes of sections 86(1) and 86(7) of the UK Financial Services and Markets Act 2000 (“FSMA”) (including pursuant to Article 2(1) of the Prospectus Directive), (ii) to fewer than 150 persons (other than qualified investors) in that Member State, and/or (iii) otherwise to persons pursuant to another exemption under Article 3(2) of the Prospectus Directive from the requirement to produce a prospectus regulated by the Prospectus Directive to whom the Prospectus Documents are made available on such basis being “Relevant Persons”). The Prospectus Documents and their contents must not be acted upon or relied upon in the UK by persons who are not Relevant Persons. Any investment or investment activity to which the Prospectus Documents relate is available only in the UK to Relevant Persons, and will be engaged in only with such persons. This Prospectus is only being made available to Qualifying Shareholders (who are Relevant Persons) and as such is exempt under Article 43 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) and/or another applicable exemption from the general restriction on the communication of invitations or inducements to enter into investment activity and has therefore not been approved by an authorised person, as would otherwise be required by section 21 of FSMA. Any investment to which this Prospectus and/or any Prospectus Document relates is only available to (and any investment activity to which it relates will be engaged in only with) Relevant Persons. Persons located in the UK who are not Relevant Persons should not take any action upon receipt of this Prospectus (or any of the other Prospectus Documents). By receiving this Prospectus (or any of the other Prospectus Documents) in the UK you are deemed to warrant to the Company that you fall within the categories of persons described above to which this Prospectus and the Prospectus Documents may lawfully be made available.

### **Notice relating to investors in the US**

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the US, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the US, save as provided below.

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## **THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the US. The Rights Shares in their nil-paid and fully-paid forms have not been and will not be registered under the US Securities Act of 1933 or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US. The Rights Shares in both nil-paid and fully-paid forms, the Prospectus, the PAL and the EAF have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the US or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Shares in both nil-paid and fully-paid forms, the PAL and the EAF or the accuracy or adequacy of this Prospectus. There will be no public offer of these securities in the US. The Rights Shares in both nil-paid and fully-paid forms (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold in the US to persons whom the Company reasonably believes to be "qualified institutional buyers" within the meaning of Rule 144A of the US Securities Act ("QIBs") in reliance on the exemption from the registration requirements of the US Securities Act under Section 4(2) thereof and who have provided to the Company a signed investor representation letter in the form set out in Appendix IV to this Prospectus, in transactions exempt from the registration requirements of the US Securities Act.

The Rights Shares offered outside the US are being offered in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of Rights Shares being offered and sold the Rights Shares outside the US will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

In addition, until 40 days after the posting date of the Prospectus Documents, an offer, sale or transfer of the Rights Shares within the US by a broker/dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

### **Enforceability of Judgments**

The Company is a public company incorporated under the laws of Bermuda. Most of the members of the Board and most of the Company's employees are citizens or residents of countries other than the US. A substantial portion of the assets of such persons and all or substantially all the Company's assets are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon such persons or upon the Company, or to enforce judgments obtained in US courts, including judgments predicated upon civil liabilities under the securities laws of the US or any state or territory within the US. In addition, there may be substantial doubt as to the enforceability, in Bermuda, of original actions or actions for enforcement based on the federal securities laws of the US or judgments of US courts, including judgments predicated upon the civil liability provisions of the securities laws of the US.

### **Forward-Looking Statements**

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as "might", "may", "could", "would", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue", "illustration", "projection" or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of the Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following terms have the meanings set out below:*

|                                |   |
|--------------------------------|---|
| “ADS Holders”                  | owners of ADS receipts whose names are registered on the books of the depository, being Deutsche Bank Trust Company Americas, maintained for such purpose;  |
| “ADSs”                         | American depository shares of the Company, each representing 5 Shares and evidenced by American depository receipts;  |
| “Announcement”                 | the announcement of the Company dated 27 May 2013 relating to the Rights Issue;   |
| “associate(s)”                 | has the meaning ascribed to it under the Listing Rules;   |
| “Beneficial Owner”             | any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner;   |
| “Board”                        | the board of Directors;   |
| “Business Day”                 | a day (other than a Saturday, Sunday, any public holiday in Hong Kong) on which commercial banks in Hong Kong are generally open for business;  |
| “Bye-laws”                     | the bye-laws of the Company, as amended from time to time;  |
| “Canadian Offering Memorandum” | the Canadian Offering Memorandum to be issued by the Company in connection with the Rights Issue and dated on or around the date of this Prospectus, to be sent to Qualifying Shareholders with registered addresses in Canada; |
| “CCASS”                        | The Central Clearing and Settlement System established and operated by HKSCC;   |
| “CCASS Participant”            | a person admitted by HKSCC as a participant of CCASS;   |
| “Companies Ordinance”          | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time;  |
| “Company”                      | First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;  |
| “connected person(s)”          | shall have the meaning ascribed to it under the Listing Rules;  |

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## DEFINITIONS

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| “Controlling Shareholder”               | Mr. Anthoni Salim, the Chairman of the Company and its ultimate controlling shareholder, as that expression is defined in and used for the purposes of the Listing Rules;   |
| “Controlling Shareholder’s Undertaking” | the irrevocable undertaking dated 27 May 2013 given by the Controlling Shareholder in favour of the Company and the Underwriter, as described in this Prospectus;   |
| “Director(s)”                           | director(s) of the Company;   |
| “EAF(s)”                                | the excess application form(s) to be issued in connection with the Rights Issue;  |
| “Existing Shares”                       | the Shares which were in issue at 5:00 p.m. on the Record Date;   |
| “Group”                                 | the Company and its subsidiaries;   |
| “HK\$”                                  | Hong Kong dollars, the lawful currency of Hong Kong;  |
| “HKSCC”                                 | Hong Kong Securities Clearing Company Limited;  |
| “Hong Kong”                             | the Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “HSBC”                                  | The Hongkong and Shanghai Banking Corporation Limited, a registered institution as defined in the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong); |
| “Independent Third Party(ies)”          | third party(ies) independent of the Company and any connected person(s) of the Company and who are not connected person(s) of the Company;  |
| “Intermediary”                          | in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant;  |
| “Investor Participant”                  | a person admitted to participate in CCASS as an Investor Participant;   |
| “Last Trading Day”                      | Monday, 27 May 2013, being the Trading Day immediately prior to the publication of the Announcement;  |

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## DEFINITIONS

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| “Latest Acceptance Date”        | the latest date for acceptance of, and payment for, Rights Shares, which is expected to be Wednesday, 3 July 2013 (or such other date to be agreed in writing between the Company and the Underwriter);   |
| “Latest Practicable Date”       | Thursday, 13 June 2013, being the latest practicable date prior to the printing of this Prospectus for the purposes of ascertaining certain information contained in this Prospectus;   |
| “Latest Time for Termination”   | 4:30 p.m. on the Business Day immediately following the Latest Acceptance Date, which is expected to be on Thursday, 4 July 2013;   |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on the Stock Exchange;  |
| “Non-Qualifying Shareholder(s)” | Shareholder(s) whose name(s) appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in any of the US, the UK, Canada or Saudi Arabia (the Specified Territories), except for those Shareholders with addresses in the US, the UK or Canada who fulfil, to the satisfaction of the Company, the relevant requirements specified in the section of this Prospectus headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”; and any Shareholder(s) or Beneficial Owner(s) at that time who are otherwise known by the Company to be resident in any of the Specified Territories, except for those Shareholder(s) or Beneficial Owner(s) resident in the US, the UK or Canada who fulfil, to the satisfaction of the Company, the relevant requirements specified in the section of this Prospectus headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”; |
| “PAL(s)”                        | the provisional allotment letter(s) to be issued in connection with the Rights Issue;   |
| “Php”                           | Philippines peso, the lawful currency of the Philippines;   |
| “PLDT”                          | Philippine Long Distance Telephone Company, an associated company of the Group;   |
| “PRC”                           | People’s Republic of China;   |
| “Prospectus”                    | this prospectus;  |
| “Prospectus Documents”          | the Prospectus, PAL and EAF;  |
| “QIB(s)”                        | “qualified institutional buyers” within the meaning of Rule 144A of the US Securities Act;  |

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## DEFINITIONS

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| “Qualifying Shareholders”   | persons whose names appeared in the register of members of the Company at 5:00 p.m. on the Record Date as holders of Shares, but excluding the Non-Qualifying Shareholders;  |
| “Record Date”               | Thursday, 13 June 2013, the date by reference to which entitlements to participate in the Rights Issue was determined;   |
| “Registered Owner”          | in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested; |
| “Registrar”                 | the Company’s branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;   |
| “Regulation S”              | Regulation S under the US Securities Act;  |
| “Relevant Persons”          | the meaning given on the cover pages of this Prospectus, under the heading “Notice relating to investors in the UK”;   |
| “Rights Issue”              | the issue, by way of rights, of one (1) Rights Share for every eight (8) Existing Shares at the Rights Subscription Price, payable in full on acceptance;  |
| “Rights Share(s)”           | 480,194,901 new Shares to be allotted and issued by way of rights to Qualifying Shareholders;  |
| “Rights Subscription Price” | the subscription price of HK\$8.10 per Rights Share;   |
| “Rupiah”                    | Indonesian Rupiah, the lawful currency of the Republic of Indonesia;   |
| “SFC”                       | the Securities and Futures Commission of Hong Kong;  |
| “SFO”                       | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;   |
| “Share(s)”                  | ordinary share(s) of par value US\$0.01 each in the share capital of the Company;  |
| “Share Option Schemes”      | the share option schemes of the Company adopted, respectively, on 24 May 2004 and 31 May 2012;   |
| “Share Options”             | share options granted under the Share Option Schemes;  |

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## DEFINITIONS

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|                              |  |
|------------------------------|--|
| “Shareholders”               | persons registered in the register of members of the Company as holders of Shares, except that where the registered holder of Shares is HKSCC Nominees Limited on behalf of CCASS shall also include, where the context so admits, the CCASS Participants whose CCASS stock accounts are deposited with such Shares;   |
| “Specified Territories”      | means the US, the UK, Canada and Saudi Arabia;   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited;   |
| “Takeovers Code”             | the Hong Kong Code on Takeovers and Mergers;   |
| “Trading Day”                | a day on which the Stock Exchange is open for trading (which for the purpose of this Prospectus includes 22 May 2013);   |
| “UK”                         | United Kingdom of Great Britain and Northern Ireland;  |
| “Underwriter”                | HSBC;  |
| “Underwriting Agreement”     | the underwriting agreement dated 27 May 2013 entered into between the Company and the Underwriter in relation to the Rights Issue, as amended by an amendment agreement dated 13 June 2013. entered into between the same parties;   |
| “Underwritten Rights Shares” | the Rights Shares, other than the aggregate of (1) 213,368,392 Rights Share provisionally allotted to the Controlling Shareholder and/or his associates (which the Controlling Shareholder has undertaken to subscribe or procure subscription for), (2) 19,160,493 excess Rights Shares (which the Controlling Shareholder has undertaken to apply for (or procure applications to be made) by way of excess application), and (3) 120,000 additional Rights Shares provisionally allotted to the Controlling Shareholder and/or his associates in respect of 960,000 further Shares which were acquired by the Controlling Shareholder or his associates after the date of the Controlling Shareholder’s Undertaking and before 5:00 p.m. on the Record Date (which the Controlling Shareholder has undertaken to subscribe for or procure subscription for), underwritten by the Underwriter subject to the terms and conditions of the Underwriting Agreement (being 247,546,016 Rights Shares); |
| “US”                         | United States of America (including its territories and dependencies, any state in the US and the District of Columbia);   |
| “US Securities Act”          | US Securities Act of 1933, as amended;   |
| “US\$”                       | United States dollars, the lawful currency of the US; and  |

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## DEFINITIONS

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“%” per cent.

*Unless stated otherwise, translations of quoted currency values in this Prospectus are made on an approximate basis and at the rate of US\$1.00 = HK\$7.76. Percentages and figures expressed have been rounded.*

*In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.*

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## SUMMARY OF THE RIGHTS ISSUE

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*The following information is derived from, and should be read in conjunction with and subject to, the full text of this Prospectus:*

|   |   |   |
|---|---|---|
| What is the Rights Issue?   | : | A means for the Company to raise additional capital by offering to the Company's existing Shareholders who are Qualifying Shareholders the right to subscribe for further Shares in proportion to their existing shareholdings.   |
| Basis of the Rights Issue   | : | Qualifying Shareholders are being offered the opportunity to subscribe for one (1) Rights Share for every eight (8) Existing Shares held at 5:00 p.m. on the Record Date. For more information in relation to Qualifying Shareholders, see the sections of this Prospectus headed "Qualifying Shareholders", "Distribution of this Prospectus and the other Prospectus Documents", "Non-Qualifying Shareholders" and "Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue", in the "Letter from the Board".   |
| Rights Subscription Price   | : | HK\$8.10 per Rights Share payable in full on acceptance.  |
| Number of Shares in issue   | : | 3,841,559,209 as at the Latest Practicable Date.  |
| Number of Rights Shares to be issued                              | : | 480,194,901 Rights Shares.  |
| Latest Acceptance Date  | : | Expected to be Wednesday, 3 July 2013.  |
| Amount to be raised by the Rights Issue                           | : | Approximately HK\$3,889.6 million (approximately US\$501.2 million) before deducting expenses.  |
| Enlarged issued share capital upon completion of the Rights Issue | : | 4,321,754,110 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue).   |
| Excess applications   | : | Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment (see the section headed "Application for Excess Rights Shares" in the "Letter from the Board"). Any Rights Shares available for excess application would be (1) any Rights Shares representing unsold fractional entitlements (see the section headed "Fractional Entitlements" in the "Letter from the Board"), (2) any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, and (3) any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders (see the section in the "Letter from the Board" below headed "Non-Qualifying Shareholders"). |



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## SUMMARY OF THE RIGHTS ISSUE

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Status : The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. **The nil-paid Rights Shares and the fully-paid Rights Shares will not entitle their holders to receive the final dividend in respect of the financial year ended 31 December 2012, recommended by the Directors on 19 March 2013, approved by the Shareholders on 30 May 2013 at the Company's annual general meeting and expected to be payable on 24 June 2013.** After the Rights Shares have been issued and fully paid, holders of fully-paid Rights Shares will be entitled to receive all other future dividends and distributions the record dates of which are on or after the date of issue and allotment of the fully paid Rights Shares.

Underwriter : HSBC.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before the completion of the Rights Issue, the 480,194,901 Rights Shares in nil-paid form proposed to be provisionally allotted represent approximately 12.5% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has 3,841,559,209 Shares in issue and 185,175,098 Share Options outstanding which entitle the holders thereof to subscribe for 185,175,098 Shares, of which a total of 87,815,098 Share Options have vested or are scheduled to vest on or before the completion of the Rights Issue. The latest date for those vested Share Options to be exercised in order to enable the holders of the Share Options to qualify for the Rights Issue as Qualifying Shareholders, has already passed. Accordingly, the holders of the Share Options will not receive any nil-paid or fully-paid Rights Shares under the Rights Issue in respect of their Share Options.

Save for the Share Options, as at the Latest Practicable Date, the Company has no other outstanding convertible securities, options, or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into, Shares.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriter has the right to terminate the Underwriting Agreement by notice to the Company at any time prior to the Latest Time for Termination if:

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement:
  - (i) that any statement contained in any of the Announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or
  - (ii) that any matter has arisen or been discovered which would, if the Announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement, the Prospectus Documents or any supplementary prospectus; or
  - (iii) that the Company is required by any applicable law or regulatory rule to issue a supplementary prospectus in connection with the Rights Issue; or
  - (iv) that any of the warranties given by the Company pursuant to the Underwriting Agreement is (or would if repeated at that time be) untrue or breached; or
  - (v) any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or
  - (vi) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement; or
  - (vii) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of the Company or any of its subsidiaries or PLDT which in the opinion of the Underwriter is material in the context of the Rights Issue; or
  - (viii) any of the obligations or undertakings of the Controlling Shareholder under the Controlling Shareholder's Undertaking have not been complied with; or
  - (ix) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
  - (x) any suspension in trading of Shares on the Stock Exchange for a continuous period of more than one Business Day (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of the Announcement); or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or
  - (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or
  - (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or
  - (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or
  - (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the Singapore Stock Exchange, the Philippine Stock Exchange or the Indonesia Stock Exchange); or
  - (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business which will or may adversely affect the Company or any of its subsidiaries or PLDT or the present or prospective shareholders of the Company,

and which, in any such case and in the absolute opinion of the Underwriter, will or may (A) be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Company, its subsidiaries and PLDT as a whole or the Rights Issue or the success thereof; or (B) make it inadvisable or inexpedient to proceed with the Rights Issue; or (C) have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by the Underwriter, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith and no party will have any claim against the other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Underwriter exercises such right, the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### WARNING OF THE RISKS OF DEALING IN NIL-PAID RIGHTS SHARES

The Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 20 June 2013 to Thursday, 27 June 2013 (both dates inclusive).

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any persons dealing in Shares or Rights Shares in their nil-paid form, or in any other securities of the Company, up to the date on which all the conditions to which the Rights Issue is subject have been fulfilled and the Underwriter's right to terminate the Underwriting Agreement has ceased, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form, or in any other securities of the Company, are advised to exercise caution and to consult their professional advisers.**

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## EXPECTED TIMETABLE

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The expected timetable for the Rights Issue is set out below:

**2013**

|   |  |
|---|--|
| Last day of dealings in the Shares on a cum-rights basis . . . . .  | Thursday, 6 June                         |
| Commencement of dealings in the Shares on an ex-rights basis . . . . .  | Friday, 7 June                           |
| Latest time for lodging transfers of Shares and related documents<br>to be entitled to participate in the Rights Issue . . . . .  | 4:30 p.m., Monday, 10 June               |
| Book close period to determine the entitlements under the Rights Issue<br>(both dates inclusive) . . . . .  | Tuesday, 11 June to<br>Thursday, 13 June |
| Reference time on the Record Date . . . . .   | 5:00 p.m., Thursday, 13 June             |
| Prospectus Documents to be posted . . . . .   | Tuesday, 18 June                         |
| First day of dealings in nil-paid Rights Shares . . . . .   | Thursday, 20 June                        |
| Latest time for:  |  |
| (1) receipt by the Company of letters of representation,<br>in the form attached hereto as Appendix IV, from US<br>persons who are QIBs;  |  |
| (2) UK persons who are Relevant Persons to contact the<br>Company to notify the Company of their eligibility<br>to accept Rights Shares offered under the Rights<br>Issue; and  |  |
| (3) Canadian persons who are “accredited investors”<br>as defined in NI 45-106 to contact the Company<br>to notify the Company of their eligibility to accept<br>Rights Shares offered under the Rights Issue . . . . . | 1:00 p.m., Monday, 24 June               |
| Latest time for splitting nil-paid Rights Shares . . . . .  | 4:30 p.m., Monday, 24 June               |
| Last day of dealings in nil-paid Rights Shares . . . . .  | Thursday, 27 June                        |
| Latest time for acceptance of Rights Shares and payment<br>and for application and payment for excess Rights Shares . . . . .   | 4:00 p.m., Wednesday, 3 July             |
| Rights Issue and Underwriting Agreement expected<br>to become unconditional . . . . .   | 4:30 p.m., Thursday, 4 July              |
| Announcement of the results of acceptance and excess<br>application of the Rights Issue . . . . .   | Wednesday, 10 July                       |

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## EXPECTED TIMETABLE

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2013

Refund cheques for wholly and partially unsuccessful excess applications and cheques to Non-Qualifying Shareholders, if any, to be posted . . . . . Thursday, 11 July

Share certificates for Rights Shares to be posted/CCASS stock accounts to be credited with Rights Shares . . . . . Thursday, 11 July

First day of dealings in fully-paid Rights Shares. . . . . Friday, 12 July

*Notes:*

- (i) **All references to times and dates in the Expected Timetable are references to Hong Kong time and Hong Kong dates, respectively.**
- (ii) Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any changes to the timetable will be published or notified to the Shareholders and the Stock Exchange as appropriate.

### **Effect of bad weather on the latest time for acceptance of Rights Shares and excess applications**

The latest time for acceptance of Rights Shares, excess applications and the payment therefor, will not take place as shown if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 3 July 2013. Instead the latest time for acceptance of Rights Shares, excess applications and the payment, in both instances, therefor, will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 3 July 2013. Instead the latest time for acceptance of Rights Shares, excess applications and the payment, in both instances, therefor, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of Rights Shares, excess applications and the payment, in both instances, therefor, does not take place on Wednesday, 3 July 2013, the subsequent dates mentioned in this section headed “Expected Timetable” may be affected. An announcement will be made by the Company to notify the Shareholders and the Stock Exchange in such event as soon as practicable.

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## LETTER FROM THE BOARD

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### FIRST PACIFIC COMPANY LIMITED

### 第一太平洋有限公司

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

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

(Stock Code: 00142)

*Chairman:*

Anthoni Salim

*Executive Directors:*

Manuel V. Pangilinan (*Managing Director and CEO*)

Edward A. Tortorici

Robert C. Nicholson

*Non-executive Directors:*

Benny S. Santoso

Tedy Djuhar

Napoleon L. Nazareno

*Independent Non-executive Directors:*

Graham L. Pickles

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

*Hong Kong Principal Office:*

24th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

17 June 2013

*To the Qualifying Shareholders and,  
for information purposes only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE OF  
FIRST PACIFIC COMPANY LIMITED  
OF 480,194,901 RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$8.10 PER RIGHTS SHARE  
ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY EIGHT EXISTING SHARES HELD ON THE RECORD DATE**

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## LETTER FROM THE BOARD

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### INTRODUCTION

The Company announced on Monday, 27 May 2013 that it proposes to raise not less than approximately HK\$3,883.3 million (approximately US\$500.4 million) before deducting expenses by way of the Rights Issue, on the basis of one (1) Rights Share for every eight (8) Existing Shares held at 5:00 p.m. on the Record Date. Qualifying Shareholders are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess applications. The Rights Issue will involve the issue of 480,194,901 Rights Shares at a subscription price of HK\$8.10 per Rights Share payable in full on application.

The Underwritten Rights Shares are fully underwritten on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue would, on completion, raise for the Company approximately HK\$3,889.6 million (approximately US\$501.2 million), before deducting expenses.

### RIGHTS ISSUE OVERVIEW

|   |   |   |
|---|---|---|
| What is the Rights Issue?   | : | A means for the Company to raise additional capital by offering to the Company's existing Shareholders who are Qualifying Shareholders the right to subscribe for further Shares in proportion to their existing shareholdings.   |
| Basis of the Rights Issue   | : | Qualifying Shareholders are being offered the opportunity to subscribe for one (1) Rights Share for every eight (8) Existing Shares held at 5:00 p.m. on the Record Date. For more information in relation to Qualifying Shareholders, see the sections headed "Qualifying Shareholders", "Distribution of this Prospectus and other Prospectus Documents", "Non-Qualifying Shareholders" and "Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue," below. |
| Rights Subscription Price   | : | HK\$8.10 per Rights Share.  |
| Number of Shares in issue   | : | 3,841,559,209 Shares as at the Latest Practicable Date.   |
| Number of Rights Shares to be issued                              | : | 480,194,901 Rights Shares.  |
| Latest Acceptance Date  | : | Expected to be Wednesday, 3 July 2013.  |
| Amount to be raised by the Rights Issue                           | : | Expected to be approximately HK\$3,889.6 million (approximately US\$501.2 million) before deducting expenses.   |
| Enlarged issued share capital upon completion of the Rights Issue | : | 4,321,754,110 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue).   |



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## LETTER FROM THE BOARD

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- Excess applications : Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment (see the section headed “Application for Excess Rights Shares” below). Any Rights Shares available for excess application would be those Rights Shares (if any) representing unsold fractional entitlements (see the section headed “Fractional Entitlements” below) and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares and any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders (see the section headed “Non-Qualifying Shareholders” below).
- Status : The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. **The nil-paid Rights Shares and the fully-paid Rights Shares will not entitle their holders to receive the final dividend in respect of the financial year ended 31 December 2012, recommended by the Directors on 19 March 2012, approved by the Shareholders on 30 May 2013 at the Company’s annual general meeting and expected to be payable on 24 June 2013.** After the Rights Shares have been issued and fully paid, holders of fully-paid Rights Shares will be entitled to receive all other future dividends and distributions the record dates of which are on or after the date of issue and allotment of the fully paid Rights Shares.
- Underwriter : HSBC.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before the completion of the Rights Issue, the 480,194,901 Rights Shares in nil-paid form proposed to be provisionally allotted represent approximately 12.5% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has 3,841,559,209 Shares in issue and 185,175,098 Share Options outstanding which entitle the holders thereof to subscribe for 185,175,098 Shares, of which a total of 87,815,098 Share Options have vested or are scheduled to vest on or before the completion of the Rights Issue. The latest date for those vested Share Options to be exercised in order to enable the holders of the Share Options to qualify for the Rights Issue as Qualifying Shareholders, has already passed. Accordingly, the holders of the Share Options will not receive any nil-paid or fully-paid Rights Shares under the Rights Issue in respect of their Share Options.

Save for the Share Options, as at the Latest Practicable Date, the Company has no other outstanding convertible securities, options, or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into, Shares.

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## LETTER FROM THE BOARD

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### THE RIGHTS SUBSCRIPTION PRICE

The Rights Subscription Price for the Rights Shares is HK\$8.10 per Rights Share and is payable in full in cash when a Qualifying Shareholder accepts the provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Rights Subscription Price was determined by the Company with reference to the prevailing market price of the Shares. The Rights Subscription Price represents:

- (i) a discount of approximately 10.7% to the closing price of HK\$9.07 per Share, the dealings of which are on an ex-rights basis, as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 29.6% to the closing price of HK\$11.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 27.2% to the theoretical ex-rights price of approximately HK\$11.12 per Share which is calculated based on the closing price of the Shares on the Last Trading Day;
- (iv) a discount of approximately 30.2% to the average of the closing prices of the Shares for the 5 consecutive Trading Days ended on the Last Trading Day of approximately HK\$11.61 per Share;
- (v) a discount of approximately 30.8% to the average of the closing prices of the Shares for the 10 consecutive Trading Days ended on the Last Trading Day of approximately HK\$11.71 per Share;
- (vi) a discount of approximately 27.6% to the average of the closing prices of the Shares for the 30 consecutive Trading Days ended on the Last Trading Day of approximately HK\$11.19 per Share;
- (vii) a premium of approximately 23.5% to the consolidated net asset value attributable to equity holders of the Company per Share of HK\$6.56 based on the audited consolidated net assets attributable to equity holders of the Company as set out in the audited financial statements of the Group as at 31 December 2012;
- (viii) a discount of approximately 49.8% to the adjusted net assets value on the Latest Practicable Date\* of approximately HK\$16.15 per Share; and
- (ix) a discount of approximately 46.9% to the adjusted net assets value on the Latest Practicable Date\* after taking into account the effect of the Rights Issue, of approximately HK\$15.25 per Share.

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## LETTER FROM THE BOARD

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- \* As the majority of the Company's investments are listed, the Company is exposed to fluctuations in the equity market values of such investments. The adjusted net assets value on the Latest Practicable Date represents the Group's underlying worth and is calculated based on the quoted share prices of the listed investment as at the Latest Practicable Date applied to the Group's economic interest and book investment cost for unlisted investments after deducting the Head Office's net debt.

Each Rights Share will have a par value of US\$0.01.

Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Rights Subscription Price. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds", the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue (including the Rights Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### QUALIFYING SHAREHOLDERS

To qualify for the Rights Issue, a Shareholder must have been registered as a member of the Company on or before 5:00 p.m. on the Record Date and not be a Non-Qualifying Shareholder (see the section below headed "Non-Qualifying Shareholders").

Qualifying Shareholders who take up their pro-rata entitlements in full will not suffer any dilution to their interests in the Company under the Rights Issue. **If a Qualifying Shareholder does not take up his or her entitlement under the Rights Issue in full, his or her proportionate shareholding in the Company will be diluted.**

### BASIS OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

Each Qualifying Shareholder will receive a PAL in respect of the Rights Issue. The Rights Shares will be provisionally allotted on the basis of one (1) Rights Share, in nil-paid form, for every whole multiple of eight (8) Existing Shares held by a Qualifying Shareholder at 5:00 p.m. on the Record Date. Any holdings (or balance of holdings) of less than eight (8) Existing Shares will not entitle their holders to be provisionally allotted a Rights Share. The board lot of the Rights Shares in nil-paid form will be 2,000 Shares.

Application for all or any part of a Qualifying Shareholder's provisional allotment of Rights Shares should be made by completing the PAL, and lodging the same with a remittance for the Rights Shares being applied for, which shall be for an equal or lesser number of the Rights Shares provisionally allotted to such Qualifying Shareholder. See further the section headed "Procedures for Acceptance or Transfer" below.

### DISTRIBUTION OF THIS PROSPECTUS AND THE OTHER PROSPECTUS DOCUMENTS

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders. However, the Company will, to the extent practicable, send this Prospectus (without the PAL or the EAF) to Non-Qualifying Shareholders in the UK, for information purposes only; and will, to the extent practicable, send the Canadian Offering Memorandum to be issued by the Company in connection with the Rights Issue and dated on or around the date of this Prospectus to the

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## LETTER FROM THE BOARD

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Non-Qualifying Shareholders in Canada for information purposes only, also without the PAL or the EAF. This Prospectus will not be sent to any Shareholders or Beneficial Owners in the US, except to those Shareholders or Beneficial Owners whom the Company believes reasonably are QIBs and in respect of whom the provisions applicable to QIBs under the heading “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue” have been complied with. This Prospectus will not be sent to any Shareholders or Beneficial Owners in Saudi Arabia.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the Company, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories together with the PAL or the EAF.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

### **NON-QUALIFYING SHAREHOLDERS**

Non-Qualifying Shareholders are those Shareholders with registered addresses in, and Shareholders and Beneficial Owners who are otherwise known by the Company to be resident in, places outside Hong Kong in respect of whom the Directors, based on enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Issue on account either of the legal restrictions under the laws of the relevant place in which the Shareholder or Beneficial Owner is located or the requirements of the relevant regulatory body or stock exchange in that place.

Having obtained advice from legal advisers in respect of each of the US, the UK, Canada and Saudi Arabia (the Specified Territories) and considered the circumstances, the Directors have formed the view that, other than certain limited exceptions as described below, it is necessary or expedient to restrict the ability of Shareholders in the Specified Territories to take up their rights under the Rights Issue due to the time and costs involved in the registration of the Prospectus and/or compliance with the relevant local legal or regulatory requirements in the Specified Territories. The advice obtained by the Company from legal advisers in respect of each of the Specified Territories indicated that either (i) the Prospectus Documents would be required to be registered or filed with or subject to approval by the relevant authorities in those territories; or (ii) the Company or Shareholders or Beneficial Owners would need to take additional steps to comply with the local legal requirements if the Rights Issue were extended to the Shareholders and Beneficial Owners in those territories.

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are:

- (a) Shareholders whose name(s) appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in the US, the UK, Canada or Saudi Arabia (the Specified Territories), except for those Shareholders with addresses in the US, the UK or Canada who fulfil, to the satisfaction of the Company,

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## LETTER FROM THE BOARD

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the relevant requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”, below; and

- (b) any Shareholders or Beneficial Owners at that time who are otherwise known by the Company to be resident in any of the Specified Territories, except for those Shareholders or Beneficial Owners resident in the US, the UK or Canada who fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”, below.

As at the Latest Practicable Date, the Company had approximately 2,142 Shareholders whose names appeared in the register of members of the Company and whose addresses as shown in such register are in the US, the UK, Canada or Saudi Arabia.

Notwithstanding any other provision in this Prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder or Beneficial Owner to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company is so satisfied, the Company will, if requested, arrange for the relevant Shareholder or Beneficial Owner to be sent a PAL and an EAF.

Rights Shares have been provisionally allotted to all Shareholders whom the Company considers are Qualifying Shareholders. In respect of those Shareholders whose name(s) appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in any of the US, the UK, Canada or Saudi Arabia (the Specified Territories), the Rights Shares which would otherwise have been provisionally allotted to them have instead been provisionally allotted to a nominee and will be sold in the market in their nil-paid form in accordance with the procedures described in the section headed “Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders” below; unless the relevant Shareholder complies, by no later than 1:00 p.m. on Monday, 24 June 2013 with the applicable requirements of the section below headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue” (the “**Relevant Requirements**”). PALs and EAFs have not been, and will not be, sent to Shareholders with address(es) in, or to Shareholders or Beneficial Owners who are otherwise known to the Company to be resident in, any of the Specified Territories except where the Company is satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdictions.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information purposes only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, any of the Specified Territories. If a PAL or

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## LETTER FROM THE BOARD

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an EAF or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her agent or nominee, he/she should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL or an EAF in, into or from any Specified Territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

### **ARRANGEMENTS FOR RIGHTS SHARES WHICH WOULD OTHERWISE HAVE BEEN AVAILABLE TO NON-QUALIFYING SHAREHOLDERS**

Arrangements will be made for the Rights Shares which would otherwise have been available to be taken up by the Non-Qualifying Shareholders with addresses shown in the register of members of the Company in any of the Specified Territories to be sold in the market in their nil-paid form on any one or more of the last three dealing days of the period for dealing in nil-paid Rights Shares (the last day of such period is Thursday, 27 June 2013), if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid to the relevant Non-Qualifying Shareholders pro-rata to their shareholdings held at 5:00 p.m. on the Record Date. Such amounts will be paid in US\$ or UK pounds sterling (depending on the registered address of the relevant Non-Qualifying Shareholder) and will be converted from Hong Kong dollars to the relevant currency of payment at the then prevailing exchange rates. The Company will retain individual amounts (or the equivalent) of HK\$100 or less for its own benefit. Any unsold entitlements of those Non-Qualifying Shareholders to the Rights Shares, together with any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares and any unsold fractions of the Rights Shares (see the section headed "Fractional Entitlements" below), will be made available for excess applications on EAFs by Qualifying Shareholders.

These arrangements will apply in respect of those Shareholders whose names appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose addresses as shown in the register of members of the Company at that time were in any of the Specified Territories (i.e. in the US, the UK, Canada or Saudi Arabia), unless the relevant Shareholder fulfils the Relevant Requirements to the satisfaction of the Company. These arrangements will also apply in respect of a Beneficial Owner who holds a beneficial interest in Shares which are registered in the name of a Registered Owner where the address of the Registered Owner shown in the register of members of the Company at 5:00 p.m. on the Record Date was in any of the Specified Territories, unless the Registered Owner fulfils the Relevant Requirements to the satisfaction of the Company.

### **NON-QUALIFYING BENEFICIAL OWNERS**

However, the arrangements under the section above headed "Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders" will not apply to a Beneficial Owner who is resident in a Specified Territory who does not fulfil the Relevant Requirements to the satisfaction of the Company, and who holds his/her/its interest in Shares through a Registered Owner having an address shown in the register of members of the Company at 5:00 p.m. on the Record Date which is not in one of the Specified Territories. Such Beneficial Owners are referred to herein as "**Non-**

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## LETTER FROM THE BOARD

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**Qualifying Beneficial Owners**” and may include such Beneficial Owners holding interests in Shares through CCASS (which Shares are registered in the register of members of the Company in the name of HKSCC Nominees Limited, a company incorporated in Hong Kong). The reason that the Company is unable to extend those arrangements to such Non-Qualifying Beneficial Owners is that the Company does not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Beneficial Owners are Qualifying Shareholders or Non-Qualifying Shareholders for the purposes of the Rights Issue.

Accordingly, the nil-paid Rights Shares which would otherwise have been available to be taken up by those Non-Qualifying Beneficial Owners will not be sold in the market and the relevant Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their nil-paid Rights Shares in the market. Any such nil-paid Rights Shares which are not sold in the market by Non-Qualifying Beneficial Owners will be made available for excess applications on EAFs by Qualifying Shareholders.

### **LIMITED CATEGORIES OF PERSONS IN THE SPECIFIED TERRITORIES WHO MAY BE ABLE TO TAKE UP THEIR RIGHTS UNDER THE RIGHTS ISSUE**

Notwithstanding what is said in the section headed “Non-Qualifying Shareholders” above, the following limited categories of persons in the Specified Territories may be able to take up their rights under the Rights Issue:

- (1) Shareholders or Beneficial Owners in the US whom the Company reasonably believes are QIBs may be able to purchase Rights Shares being offered in the Rights Issue (pursuant to the exercise of rights granted under the Rights Issue) by way of a private placement pursuant to an applicable exemption from registration under the US Securities Act, provided that they provide a signed investor representation letter in the form set out in Appendix IV of this Prospectus, which will also contain restrictions and procedures regarding the transfer of Rights Shares.

Duly completed and signed investor representation letters should be sent to the Company by fax or email at the contact details for the Company specified below in this section, **by no later than 1:00 p.m. on Monday, 24 June 2013 (Hong Kong time)**; failing which the nil-paid Rights Shares which would otherwise have been provisionally allotted to such Shareholders or in respect of such Beneficial Owners may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Shares which would otherwise have been available to be taken up by the Non-Qualifying Shareholders, as described in the section above headed “Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders”.

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## LETTER FROM THE BOARD

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- (2) Shareholders or Beneficial Owners resident in the UK who are (i) “qualified investors” for the purposes of sections 86(1) and 86(7) of the UK Financial Services and Markets Act 2000 (“FSMA”) (including pursuant to Article 2(1) of the European Union’s Directive 2003/71/EC (and any amendments thereto, including those made by Directive 2010/73/EU) (the “Prospectus Directive”)), (ii) persons to whom the Rights Issue may be made available pursuant to another exemption under Article 3(2) of the Prospectus Directive from the requirement to produce a prospectus regulated by the Prospectus Directive, and/or (iii) persons to whom this Prospectus may otherwise be lawfully distributed.

A Shareholder or Beneficial Owner who considers that he/she/it fulfils one of those requirements and is, therefore, eligible to accept his/her/its entitlement and have Rights Shares provisionally allotted under the Rights Issue should contact the Company by sending a notification that it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 24 June 2013 (Hong Kong time)**; failing which the nil-paid Rights Shares which would otherwise have been provisionally allotted to that Shareholder or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Shares which would otherwise have been available to be taken up by the Non-Qualifying Shareholders, as described in the section above headed “Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders”. The contact details of the Company for this purpose are set out below.

- (3) Shareholders or Beneficial Owners located in Canada who are “accredited investors” as defined in National Instrument 45-106 Prospectus and Registration Exemptions (“NI 45-106”).

A Shareholder or Beneficial Owner who considers that he/she/it is an “accredited investor” under NI 45-106 and is, therefore, eligible to accept his/her/its entitlement and have Rights Shares provisionally allotted under the Rights Issue should contact the Company by sending a notification that it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 24 June 2013 (Hong Kong time)**; failing which the nil-paid Rights Shares which would otherwise have been provisionally allotted to that Shareholder or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Shares which would otherwise have been available to be taken up by the Non-Qualifying Shareholders, as described in the section above headed “Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders”. The contact details of the Company for this purpose are set out below.

In each case, the Company reserves the absolute discretion in determining whether to allow such participation as well as the identity of any person(s) who may be allowed to do so.



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## LETTER FROM THE BOARD

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A Shareholder or Beneficial Owner who fulfils, to the satisfaction of the Company, the requirements referred to in (1), (2) or (3) above may obtain a PAL and an EAF by contacting the Company and must do so **by no later than 1:00 p.m. on Monday, 24 June 2013 (Hong Kong time)**. Shareholders or Beneficial Owners located in the US who are QIBs should return their duly completed and signed investor representation letters to the Company by fax or email, to be received by the Company **by no later than 1:00 p.m. on Monday, 24 June 2013 (Hong Kong time)**, following receipt of which the Company will provide the relevant Shareholder with a PAL and an EAF (for those Shareholders who are registered Shareholders), or permit such Shareholder to participate in the Rights Issue and receive Rights Shares (for those Shareholders holding interests in Shares through CCASS). The Company's contact details for these purposes and for the purposes of paragraphs (2) and (3) above are as follows:

|  |                                   |
|--|-----------------------------------|
| <b>Telephone from within Hong Kong:</b>  | 2842 4388                         |
| <b>Telephone from outside Hong Kong:</b> | +852 2842 4388                    |
| <b>Fax from within Hong Kong:</b>        | 2810 4313                         |
| <b>Fax from outside Hong Kong:</b>       | +852 2810 4313                    |
| <b>Email:</b>                            | companysecretary@firstpacific.com |
| <b>For the attention of:</b>             | The Company Secretary             |

If Shareholders or Beneficial Owners in the US do not return duly completed and signed investor representation letters, or Shareholders or Beneficial Owners in the UK or Canada do not contact the Company by sending a notification that they are eligible to participate in the Rights Issue, in each case by 1:00 p.m. on Monday, 24 June 2013:

- (i) in the case of a registered Shareholder whose name appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address as shown in the register of members of the Company at that time was in the US, the UK or Canada, the nil-paid Rights Shares provisionally allotted to such registered Shareholder may be sold in the market in their nil-paid form pursuant to the arrangements in the section headed "Arrangements for Rights Shares which would otherwise have been available to Non-Qualifying Shareholders" above; and
- (ii) in the case of such Beneficial Owners, the Rights Shares provisionally allotted in respect of their interests in Shares will be dealt with as described in the section headed "Non-Qualifying Beneficial Owners" above.

### PROCEDURES FOR ACCEPTANCE OR TRANSFER

#### General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in any of the Specified Territories or holding Shares on behalf of persons with such addresses is drawn to the sections above headed "Non-Qualifying Shareholders" and "Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue".

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## LETTER FROM THE BOARD

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Each subscriber of Rights Shares being offered and sold outside the US will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the nil-paid Rights Shares and/or the fully-paid Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident or located in the US or otherwise a “US person” (as defined in Regulation S under the US Securities Act);
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise nil-paid Rights Shares or fully-paid Rights Shares on a non-discretionary basis for a person who is resident or located in the US or otherwise a “US person” (as defined in Regulation S under the US Securities Act), at the time the instruction to accept was given;
- he/she/it is acquiring the nil-paid Rights Shares and/or the fully-paid Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring nil-paid Rights Shares or the fully-paid Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such nil-paid Rights Shares or the fully-paid Rights Shares into the US; and
- he/she/it understands that neither the nil-paid Rights Shares nor the fully-paid Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the nil-paid Rights Shares or the fully-paid Rights Shares are being distributed and offered outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the nil-paid Rights Shares or the fully-paid Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representations or warranties.

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## LETTER FROM THE BOARD

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### Action to be taken by Registered Shareholders

#### *Subscription for all Rights Shares provisionally allotted*

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise his/her/their right to subscribe for all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars and must be made either by cheques drawn on or cashier’s orders issued by a bank account in Hong Kong and made payable to **“First Pacific Company Limited – Rights Issue Account”** and crossed **“Account Payee Only”**.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed for acceptance of the whole or part of their provisional allotments of Rights Shares by Qualifying Shareholders.

All cheques and cashier’s orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier’s order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier’s order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier’s order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue (as set out in the section below headed “Conditions of the Rights Issue and the Underwriting Agreement”) are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary mail to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk on or around Thursday, 11 July 2013.

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## LETTER FROM THE BOARD

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**Shareholders may contact the Registrar at +852 2862 8646 for details in respect of the above procedures.**

*Transfers and “splitting” of nil-paid Rights Shares*

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on Monday, 24 June 2013 to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person he/she/it should complete and sign Form B in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign Form C in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar, Computershare Hong Kong Investor Services Limited, at the address given above, to effect the transfer by no later than 4:00 p.m. on Wednesday, 3 July 2013.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

**Shareholders may contact the Registrar at +852 2862 8646 for details in respect of the above procedures.**

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## LETTER FROM THE BOARD

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*Important notice and representations and warranties relating to registered Shareholders in the Specified Territories*

As described above, Shareholders (or any transferees of nil-paid Rights Shares) with registered addresses in the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the requirements specified in the section above headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”.

Any registered Shareholder (or any transferees of nil-paid Rights Shares) accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the nil-paid Rights Shares and/or the fully-paid Rights Shares or to use the PAL in any manner in which such person has used or will use it; (ii) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within any of the Specified Territories; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the nil-paid Rights Shares and/or the fully-paid Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws of the relevant Specified Territory or the acceptance is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

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## LETTER FROM THE BOARD

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### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)**

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

**Shareholders may contact the Registrar at +852 2862 8646 for details in respect of the above procedures.**

#### *Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

As described above, Beneficial Owners resident in the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the requirements specified in the section above headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”.

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the nil-paid Rights Shares and/or the fully-paid Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the nil-paid Rights Shares and/or the fully-paid Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories.

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## LETTER FROM THE BOARD

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The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws of the relevant Specified Territory or the acceptance is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

### **Action to be taken by Beneficial Owners holding interests in Shares through CCASS**

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the CCASS “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

**Shareholders may contact the Registrar at +852 2862 8646 for details in respect of the above procedures.**

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## LETTER FROM THE BOARD

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### *Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS*

As described above, Beneficial Owners resident in any of the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the requirements specified in the section above headed “Limited categories of persons in the Specified Territories who may be able to take up their rights under the Rights Issue”.

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who makes a valid acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not in any of the Specified Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire nil-paid Rights Shares and/or the fully-paid Rights Shares; (ii) such person is not accepting or requesting registration of the relevant nil-paid Rights Shares and/or the fully-paid Rights Shares from within any of the Specified Territories; (iii) such person is not acting on a non-discretionary basis for a person located within any of the Specified Territories at the time the instruction to accept was given; and (iv) such person is not acquiring nil-paid Rights Shares and/or the fully-paid Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into any of the Specified Territories. For the avoidance of doubt, HKSCC Nominees Limited, who will subscribe for the Rights Shares on behalf of CCASS Participants, will not give or be subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws of the relevant Specified Territory or any instruction which otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

### **SHARE CERTIFICATES AND REFUND CHEQUES FOR THE RIGHTS ISSUE**

Subject to the fulfilment of the conditions of the Rights Issue and the Underwriting Agreement as set out in the section below headed “Conditions of the Rights Issue and the Underwriting Agreement”, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary mail at their own risk on or around Thursday, 11 July 2013.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or around Thursday, 11 July 2013 by ordinary mail to the applicants at their own risk.



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## LETTER FROM THE BOARD

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### STATUS OF THE RIGHTS SHARES

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. **The nil-paid Rights Shares and the fully-paid Rights Shares will not entitle their holders to receive the final dividend in respect of the financial year ended 31 December 2012, recommended by the Directors on 19 March 2013, approved by the Shareholders on 30 May 2013 at the Company's annual general meeting and expected to be payable on 24 June 2013.** After the Rights Shares have been issued and fully paid, holders of fully-paid Rights Shares will be entitled to receive all other future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares.

### FRACTIONAL ENTITLEMENTS

The Company will not provisionally allot and will not accept application for fractions of Rights Shares in their nil-paid or fully-paid forms.

All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). The aggregate of fractions of the Rights Shares, in nil-paid form, will be provisionally allotted to a nominee appointed by the Company, and if a premium of more than HK\$100 (net of expenses) can be obtained, will be sold by the Company or its appointed nominee in nil-paid form on the Stock Exchange. The net proceeds of such sale will be retained by the Company for its own benefit.

Any unsold fractions of the Rights Shares will be made available for excess applications on EAFs by Qualifying Shareholders. No odd lot matching services will be provided.

### APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders may apply, by way of excess applications, for (1) Rights Shares representing unsold fractional entitlements, (2) any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, and (3) any Rights Shares representing any unsold entitlements of Non-Qualifying Shareholders (if any).

### Action to be taken by Registered Shareholders who wish to apply for excess Rights Shares

#### *Excess Rights Shares application procedures*

Applications for excess Rights Shares should be made only by Qualifying Shareholders and only by completing an EAF and lodging the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 3 July 2013 or such later time and/or date as may be agreed between the Company and the Underwriter. All remittances must be made in Hong Kong dollars and must be made either by cheques drawn on or cashier's orders issued by a bank account in Hong Kong and made payable to **"First Pacific Company Limited – Excess Application Account"** and crossed **"Account Payee Only"**.

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## LETTER FROM THE BOARD

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The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for, with flexibility to round up or down to whole board lots at the discretion of the Directors. Reference will only be made to the number of excess Right Shares being applied for but no reference will be made to Rights Shares comprised in applications by PAL or the number of Existing Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the full number of such excess Rights Shares applied for. No preference will be given to topping up odd lots to whole board lots.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned to that Qualifying Shareholder in full by cheque(s) despatched by ordinary mail and at his own risk on or around Thursday, 11 July 2013. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned to him by cheque(s) despatched by ordinary mail and at his own risk on or around Thursday, 11 July 2013.

If the Underwriter exercises its right to terminate the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary mail at the risk of such persons on or around Thursday, 11 July 2013.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

*Important notice and representations and warranties relating to registered Shareholders in the Specified Territories*

What is set out under the heading "Important notice and representations and warranties relating to registered Shareholders in the Specified Territories" on page 28 above in the section dealing with "Procedures for Acceptance or Transfer" of the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

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## LETTER FROM THE BOARD

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### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares**

#### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

#### *Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)” on page 29 above in the section dealing with “Procedures for Acceptance or Transfer” of the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

### **Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares**

#### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the CCASS “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

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## LETTER FROM THE BOARD

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### *Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS*

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS” on page 31 above in the section dealing with “Procedures for Acceptance or Transfer” of the nil-paid Rights Shares and the fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

#### **Important notice for Beneficial Owners**

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Registered Owner (including HKSCC Nominees Limited) is regarded as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangements for the allocation of the excess Rights Shares will not be extended to the Beneficial Owners individually.

#### **ADS HOLDERS**

Because the Rights Shares have not been and will not be registered under the US Securities Act of 1933 or under the securities laws of any state or other jurisdiction of the US, the Rights Shares are not being offered to ADS Holders and Deutsche Bank Trust Company Americas (the “**Depository**”), the depository appointed in respect of the ADSs, will not be permitted to pass the rights offered hereby on to the ADS Holders. Under the Company’s existing Deposit Agreement, the Depository has discretion, after consultation with the Company, as to the procedure to be followed in disposing of such rights on behalf of the ADS Holders and in making the net proceeds available to such holders or, if such procedure is not available, to allow the rights to lapse. After consulting with the Depository, the Company understands that the Depository intends to sell the rights in Hong Kong and distribute the net proceeds to ADS Holders.

The Rights Shares may be “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, and therefore may not be deposited into any unrestricted depository receipt facility established or maintained by any depository bank, including but not limited to the existing ADR facility maintained by the Depository unless at the time of deposit such Rights Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) of the US Securities Act.

#### **APPLICATION FOR LISTING AND DEALING ARRANGEMENTS**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms. It is expected that dealings in the Rights Shares in their nil-paid form will take place from Thursday, 20 June 2013 to Thursday, 27 June 2013 (both days inclusive) and that dealings in the Rights Shares in their fully-paid form will commence on Friday, 12 July 2013. No part of the Shares in issue or for which listing or permission to deal is being sought are listed or dealt in on any other stock exchange.

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## LETTER FROM THE BOARD

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Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms, on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares on the Stock Exchange in both their nil-paid and fully-paid forms, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any Trading Day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the “General Rules of CCASS” and “CCASS Operational Procedures” in effect from time to time. Shareholders and investors should seek advice from a licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 2,000, will be subject to the payment of stamp duty (see below under the section headed “Hong Kong Taxation”) and other applicable fees in Hong Kong. Shareholders and Beneficial Owners should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### HONG KONG TAXATION

#### (a) General

This section addresses the taxation of income and capital gains of holders of nil-paid Rights Shares and fully-paid Rights Shares under the laws and practices of Hong Kong. The following summary of the tax position in Hong Kong is based on current law and practice, is subject to changes therein and does not constitute legal or tax advice. This summary provides a general outline of the material tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Rights Shares and does not deal with all possible Hong Kong tax consequence applicable to all categories of investors. **Shareholders and investors are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.**

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## LETTER FROM THE BOARD

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### **(b) Taxation on gains of sale**

No tax is imposed in Hong Kong in respect of capital gains. However, trading gains from the sale of an asset by persons carrying on a trade, profession or business in Hong Kong where the trading gains are derived from or arise in Hong Kong will be chargeable to Hong Kong profits tax. Hong Kong profits tax is currently charged at the rate of 16.5% on corporations and at a maximum rate of 15% on individuals. Certain categories of taxpayers whose trade, profession or business consists of buying and selling shares are likely to be regarded as deriving trading gains rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers could prove that the investment securities are held as capital assets.

Gains from the sale of the nil-paid Rights Shares or fully-paid Rights Shares effected on the Stock Exchange will be considered to be arising in or derived from Hong Kong. A liability for Hong Kong profits tax would thus arise in respect of trading profits from the sale of nil-paid Rights Shares and fully-paid Rights Shares effected on the Stock Exchange, where such profits arise from a trade, profession or business carried on in Hong Kong and are otherwise not of a capital nature.

### **(c) Stamp Duty**

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the nil-paid Rights Shares or the fully-paid Rights Shares, will be payable by the purchaser on every purchase and by the seller on every sale of nil-paid Rights Shares or fully-paid Rights Shares (that is, a total of 0.2% is currently payable on a typical sale and purchase transaction involving Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Shares.

## **UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE**

### **(1) Controlling Shareholder's Undertaking**

As at the Latest Practicable Date, the Controlling Shareholder and his associates are beneficially interested in a total of 1,707,907,154 Shares. The Company's total issued share capital is 3,841,559,209 ordinary shares of US\$0.01 each as at the Latest Practicable Date. Accordingly, the Controlling Shareholder is interested in approximately 44.46% of the Company's issued share capital as at the Latest Practicable Date.

The Controlling Shareholder has irrevocably undertaken to the Company and the Underwriter, among other things:

- (i) to subscribe for (or procure subscription for), by 4:00 p.m. on the Latest Acceptance Date the 213,368,392 Rights Shares to be provisionally allotted to him and/or his associates pursuant to the terms of the Rights Issue in respect of the 1,706,947,154 Shares in which he is and/or his associates were beneficially interested as at the date of the Controlling Shareholder's Undertaking;

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## LETTER FROM THE BOARD

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- (ii) to procure that the Controlling Shareholder or his associates (as appropriate) will remain beneficially interested in the 1,706,947,154 Shares referred to in (i) above at 5:00 p.m. on the Record Date as they were on the date of the Controlling Shareholder's Undertaking;
- (iii) to apply (or procure applications to be made), by 4:00 p.m. on the Latest Acceptance Date, for 19,160,493 excess Rights Shares by way of excess application, on the same basis as other Shareholders applying for excess Rights Shares; and
- (iv) if any additional Rights Shares are provisionally allotted to the Controlling Shareholder or his associates pursuant to the terms of the Rights Issue in respect of any further Shares acquired by the Controlling Shareholder or his associates on or before 5:00 p.m. on the Record Date, to subscribe for (or procure the subscription for), by 4:00 p.m. on the Latest Acceptance Date, those additional Rights Shares.

In respect of paragraph (iv) above, the Controlling Shareholder and/or his associates acquired an interest in a further 960,000 Shares after the date of the Controlling Shareholder's Undertaking and before the Record Date. As a result, an additional 120,000 Rights Shares have been provisionally allotted to the Controlling Shareholder and/or his associates, for which he has undertaken to subscribe, or procure subscription, for in accordance with the Controlling Shareholder's Undertaking.

The Controlling Shareholder and his associates will have the right to apply for further additional Rights Shares, by way of excess application, but the Controlling Shareholder has confirmed in the Controlling Shareholder's Undertaking that he will not (and he will procure that his associates will not) make any acquisitions of Rights Shares which would result in a requirement for him or any of his associates to make a mandatory general offer under Rule 26 of the Takeovers Code in respect of the Shares not owned by him and his associates.

Save for the Controlling Shareholder's Undertaking, the Company has not obtained any undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

### **(2) Underwriting Agreement**

The Underwriter has agreed to fully underwrite the Underwritten Rights Shares, subject to the terms and conditions of the Underwriting Agreement as described below.

#### **Terms of the Underwriting Agreement**

Date: 27 May 2013, amended by an amendment agreement dated 13 June 2013

Parties: The Company and the Underwriter

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## LETTER FROM THE BOARD

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|                                       |   |
|---------------------------------------|---|
| Number of Rights Shares underwritten: | All of the Rights Shares other than the aggregate of (1) 213,368,392 Rights Shares, to be subscribed (or procured to be subscribed) by the Controlling Shareholder pursuant to the Controlling Shareholder's Undertaking, (2) 19,160,493 excess Rights Shares to be applied for (or procured to be applied for) by the Controlling Shareholder pursuant to the Controlling Shareholder's Undertaking and (3) 120,000 additional Rights Shares provisionally allotted to the Controlling Shareholder and/or his associates in respect of 960,000 further Shares which were acquired by the Controlling Shareholder or his associates after the date of the Controlling Shareholder's Undertaking and before 5:00 p.m. on the Record Date, being 247,546,016 Rights Shares. |
| Underwriting commission:              | 2.3% of the amount determined by multiplying the number of Underwritten Rights Shares by the Rights Subscription Price, which amounts to approximately HK\$46.1 million (approximately US\$5.9 million).  |

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Underwriter and its ultimate holding company are Independent Third Parties.

### CONDITIONS OF THE RIGHTS ISSUE AND THE UNDERWRITING AGREEMENT

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Underwriter to underwrite the Rights Issue are conditional upon fulfilment of the following conditions:

- (a) the Rights Shares being provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents to the Qualifying Shareholders;
- (b) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong no later than Monday, 17 June 2013 (or such other date as the Underwriter may agree in writing with the Company) of one copy of each of the Prospectus Documents each duly certified, in accordance with the requirements of the Companies Ordinance, as having been approved by resolution of the Board (in compliance with the requirements of the Companies Ordinance);
- (c) the filing with the Registrar of Companies in Bermuda of one copy of the Prospectus duly signed in accordance with the requirements of the Companies Act 1981 of Bermuda (as amended) on or before or as soon as reasonably practicable after the publication of this Prospectus in compliance with the Companies Act 1981 of Bermuda (as amended);
- (d) the sending of the Prospectus Documents to the Qualifying Shareholders only and the sending, to the extent reasonably practicable, of the Prospectus (but not the PAL or EAF) for information purposes only to the Non-Qualifying Shareholders with a registered address in the UK, and the sending of the Prospectus (including the Canadian Offering Memorandum but not the PAL or EAF) to the Non-Qualifying Shareholders with registered addresses in Canada;



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## LETTER FROM THE BOARD

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- (e) permission to deal in, and listing of, all the Rights Shares to be issued (in their nil-paid and fully-paid forms) being granted or agreed to be granted (subject to allotment) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of Rights Shares (in nil-paid and fully-paid forms respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (f) the fulfilment by the Controlling Shareholder of his obligations under the Controlling Shareholder's Undertaking in accordance with the terms and conditions of the Rights Issue and in respect of the Controlling Shareholder's obligations to (i) subscribe or procure the subscription, by 4:00 p.m. on the Latest Acceptance Date, for an aggregate of 213,368,392 Rights Shares; (ii) apply (or procure applications to be made), by 4:00 p.m. on the Latest Acceptance Date, for 19,160,493 excess Rights Shares by way of excess application, on the same basis as other Shareholders applying for excess Rights Shares; and (iii) subscribe or procure subscription, by 4:00 p.m. on the Latest Acceptance Date, for any additional Rights Shares to be provisionally allotted to him and/or his associates in respect of any Shares acquired by him or his associates on or before 5:00 p.m. on the Record Date;
- (g) the Company's compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement including, without limitation, the obligation to deliver to the Underwriter (in form and substance satisfactory to them) the documents listed therein by the times and dates specified therein;
- (h) the issue of the Rights Shares and the obligations of the Underwriter to underwrite the Underwritten Rights Shares not being prohibited by any statute, order, rule, directive or regulation promulgated after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of Hong Kong and/or Bermuda;
- (i) no stop order or similar order having been issued by any court or other judicial, governmental or regulatory authority in relation to the Rights Issue nor the sale and subscription and/or purchase of the Rights Shares in accordance with the provisions of any of the Underwriting Agreement and the Controlling Shareholder's Undertaking or the execution and performance of the Underwriting Agreement by the Company or the execution and performance of the Controlling Shareholder's Undertaking by the Controlling Shareholder being prohibited by any statute, order, rule, regulation or directive issued by, or objected to by any legislative, executive or regulatory body or authority of Hong Kong; and
- (j) the representations and warranties given by the Company pursuant to the Underwriting Agreement remaining true and accurate at all times at or before the Latest Time for Termination.

If the conditions of the Underwriting Agreement are not duly fulfilled and/or waived (where applicable) by the Underwriter, by the time and/or date specified in each case or if no time or date is specified then on or before Friday, 26 July 2013 (or such later date as the Company and the Underwriter may agree in writing) or if the Underwriting Agreement shall be terminated as described below, save in respect of certain rights or obligations under the Underwriting Agreement all liabilities of the parties under the Underwriting Agreement will cease. In such circumstances, the Company shall reimburse the Underwriter for costs and expenses incurred up to a maximum amount of US\$200,000 (approximately HK\$1,552,000) but shall not be liable to pay to the Underwriter the underwriting commission thereunder.

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## LETTER FROM THE BOARD

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**If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed.**

### TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement if:

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement:
  - (i) that any statement contained in any of the Announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or
  - (ii) that any matter has arisen or been discovered which would, if the Announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement, the Prospectus Documents or any supplementary prospectus; or
  - (iii) that the Company is required by any applicable law or regulatory rule to issue a supplementary prospectus in connection with the Rights Issue; or
  - (iv) that any of the warranties given by the Company pursuant to the Underwriting Agreement is (or would if repeated at that time be) untrue or breached; or
  - (v) any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or
  - (vi) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement; or
  - (vii) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of the Company or any of its subsidiaries or PLDT which in the opinion of the Underwriter is material in the context of the Rights Issue; or
  - (viii) any of the obligations or undertakings of the Controlling Shareholder under the Controlling Shareholder's Undertaking have not been complied with; or
  - (ix) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
  - (x) any suspension in trading of Shares on the Stock Exchange for a continuous period of more than one Business Day (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of the Announcement); or

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## LETTER FROM THE BOARD

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- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or
  - (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business; or
  - (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or
  - (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or
  - (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the Singapore Stock Exchange, the Philippine Stock Exchange or the Indonesia Stock Exchange); or
  - (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or Bermuda or any other place in which the Company or any of its subsidiaries or PLDT conducts or carries on business which will or may adversely affect the Company or any of its subsidiaries or PLDT or the present or prospective shareholders of the Company,

and which, in any such case and in the absolute opinion of the Underwriter, will or may (A) be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Company, its subsidiaries and PLDT as a whole or the Rights Issue or the success thereof; or (B) make it inadvisable or inexpedient to proceed with the Rights Issue; or (C) have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

In the event that the Underwriter exercises its right to terminate the Underwriting Agreement, their obligations will cease and the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Shares have been dealt with on an ex-rights basis since Friday, 7 June 2013. The Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 20 June 2013 to Thursday, 27 June 2013 (both dates inclusive).

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any persons dealing in Shares or Rights Shares in their nil-paid form, or in any other securities of the Company, up to the date on which all the conditions to which the Rights Issue is subject have been fulfilled and the Underwriter's right to terminate the Underwriting Agreement has ceased will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form, or in any other securities of the Company, are advised to exercise caution and to consult their professional advisers.**

### LOCK-UP UNDERTAKINGS

Pursuant to the Underwriting Agreement, the Company has undertaken to the Underwriter that:

- (a) except for (i) the Rights Shares to be allotted and issued pursuant to the Rights Issue, (ii) any Shares or other securities or rights issued or granted under existing share schemes or pursuant to the exercise of existing rights of subscription or conversion (including any Share Options as already granted under the Share Option Schemes) and (iii) any Share Options which may be granted under any existing share option scheme of the Company and any share awards which may be granted under the Company's existing share award scheme approved by the Board on 19 March 2013 (share awards may involve subscriptions of new Shares and/or purchases of existing Shares on the Stock Exchange, by a trustee to be appointed by the Company, with the Shares subscribed or purchased then held by the trustee for the benefit of the grantees of the awards pending vesting of the awards and the relevant Shares in the respective grantees); or
- (b) with the prior written consent of the Underwriter (and which may be given or withheld at the absolute discretion of the Underwriter),

from the date of the Underwriting Agreement up to 90 days after the first day of trading of the Rights Shares on the Stock Exchange, the Company will not (i) allot or issue or sell, or offer to allot or issue or sell, accept subscription for, pledge, lend, mortgage, assign, charge, purchase any option or contract to sell, or grant any option, right or warrant to subscribe for or purchase or lend or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or other equity securities of the Company or any interests therein or any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for or purchase Shares, or deposit Shares with a depository in connection with the issue of depository receipts, or (ii) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any such Shares or other equity securities or any interest therein or has an effect on the market in the Shares similar to that of a sale of interest in Shares,

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## LETTER FROM THE BOARD

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or (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above or (iv) offer or agree or contract or announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above.

Pursuant to the Controlling Shareholder's Undertaking, the Controlling Shareholder has undertaken to the Company and the Underwriter that from the date of the Controlling Shareholder's Undertaking up to 90 days after the first day of trading of the Rights Shares on the Stock Exchange, he will not and he will procure that none of his associates which hold Shares will (i) sell, transfer or otherwise dispose of any Shares held by him or his relevant associates (as the case may be), or (ii) enter into a transaction that transfers, in whole or in part, the economic consequences of ownership of any such Shares (including without limitation enter into or effect any transaction described in (i) above in respect of any interests, direct or indirect, held by the Controlling Shareholder in any of his associates which have an interest in any such Shares) or (iii) offer or agree or contract or announce any intention to enter into or effect any transaction described in (i) or (ii) above; provided that the Controlling Shareholder's Undertaking shall not prohibit or restrict any sale, transfer or other disposal of Shares (or transaction referred to in (ii) above or agreement or announcement referred to in (iii) above) among the Controlling Shareholder and his associates or between his associates; and further provided that nothing in the Controlling Shareholder's Undertaking shall prohibit or restrict any (A) sale, transfer or other disposal (or any transaction referred to in (ii) above or agreement or announcement referred to in (iii) above) pursuant to any security interest, charge or other encumbrance or rights over or in respect of any Shares in which the Controlling Shareholder is or may become (or any of his associates are or may become) interested which is either in existence as at the date of the Controlling Shareholder's Undertaking or which is or may be granted to or created in favour of the Underwriter or its affiliates or any bank or other person providing finance to enable the Controlling Shareholder and/or his associates to subscribe for Rights Shares and/or apply for excess Rights Shares, or (B) the grant or creation of any such security interest, charge or other encumbrance or rights over or in respect of any Shares in which the Controlling Shareholder is or may become (or any of his associates are or may become) interested in favour of any of the Underwriter or its affiliates or any bank or other person providing finance to enable the Controlling Shareholder and/or his associates to subscribe for Rights Shares and/or apply for excess Rights Shares.

### **NO USE OF THE GENERAL MANDATE**

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of Shareholders in general meeting. On the basis that the Rights Shares are being offered to Shareholders pro rata to their existing shareholdings (apart from fractional entitlements to Rights Shares and the exclusion of Non-Qualifying Shareholders on the basis described above), in accordance with Listing Rule 13.36(2)(a), there is no requirement for the Rights Issue to be approved by Shareholders in general meeting, nor for the Directors to issue the Rights Shares pursuant to the current general mandate granted to the Directors at the 2013 annual general meeting of the Company.

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## LETTER FROM THE BOARD

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### EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had 3,841,559,209 Shares in issue and 185,175,098 Share Options outstanding which entitle the holders thereof to subscribe for 185,175,098 Shares, of which a total of 87,815,098 Share Options have vested or are scheduled to vest on or before the completion of the Rights Issue. The latest date for those vested Share Options to be exercised in order to enable the holders of the Share Options to qualify for the Rights Issue as Qualifying Shareholders, has already passed. Accordingly, the holders of the Share Options will not receive any nil-paid or fully-paid Rights Shares under the Rights Issue in respect of their Share Options.

Save for the Share Options, as at the Latest Practicable Date, the Company has no other outstanding convertible securities, options, or warrants in issue or similar rights which confer any rights to subscribe for, convert into, or exchange into, Shares.

The shareholding structure of the Company upon completion of the Rights Issue, assuming no issue of any other Shares (other than the Rights Shares) on or before completion of the Rights Issue is as follows:

| Shareholders                                       | As at the Latest Practicable Date |              | Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders) |              | Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders other than the Controlling Shareholder and his associates) |              |
|--|-----------------------------------|--------------|---|--------------|--|--------------|
|  | <i>No. of Shares</i>              | <i>%</i>     | <i>No. of Shares</i>  | <i>%</i>     | <i>No. of Shares</i>   | <i>%</i>     |
|  |                                   |              |   |              |  |              |
| Controlling Shareholder and his associates         | 1,707,907,154                     | 44.5         | 1,921,395,546   | 44.5         | 1,940,556,039  | 44.9         |
| Directors (other than the Controlling Shareholder) | 87,283,420                        | 2.3          | 98,193,846  | 2.3          | 87,283,420   | 2.0          |
| Underwriter  | -                                 | -            | -   | -            | 247,546,016  | 5.7          |
| Other Shareholders (being public Shareholders)     | 2,046,368,635                     | 53.2         | 2,302,164,718   | 53.2         | 2,046,368,635  | 47.4         |
| <b>Total</b>                                       | <b>3,841,559,209</b>              | <b>100.0</b> | <b>4,321,754,110</b>  | <b>100.0</b> | <b>4,321,754,110</b>   | <b>100.0</b> |

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## LETTER FROM THE BOARD

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### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to enlarge the capital base of the Company through the Rights Issue in order to support the continuing development of the Group's business activities. The Rights Issue would enable the Company to carry out a fund raising exercise while the Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in the Company by participating in the Rights Issue. However, those Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

The Company intends to raise net proceeds of approximately HK\$3,836.4 million (approximately US\$494.4 million) from the Rights Issue, after payment of expenses (equivalent to a net price of approximately HK\$7.99 per Rights Share).

The Company intends to apply the net proceeds of the Rights Issue principally to finance potential acquisitions and strategic investments and, for any residual balance, for general corporate purposes. The Rights Issue increases the equity capital base and strengthens the capital structure and balance sheet of the Company.

As at the Latest Practicable Date, the Company has not entered into any significant agreement, arrangement, understanding or undertaking to acquire any material new investments and/or to dispose of any material business or assets. As part of its ordinary business activities, the Company has been exploring acquisition and investment opportunities aligned with its strategic businesses of telecommunications, infrastructure, consumer food products and natural resources.

The Company will make further announcement(s) in accordance with the Listing Rules as and when any material acquisition or investment opportunity reaches a sufficiently advanced stage.

The Directors may review and vary the purpose for which the proceeds are used in light of what they consider to be the optimal use of the net proceeds from time to time. Further announcements will be made, if necessary, in the event of material change to the use of proceeds.

### EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not conduct any equity fund raising activities (including any rights issue exercise) during the twelve months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### ADJUSTMENT TO SHARE OPTIONS

As at the Latest Practicable Date, there were Share Options to subscribe up to an aggregate of 185,175,098 Shares outstanding under the Share Option Schemes. The allotment and issue of the Rights Shares will cause adjustments to the exercise price and number of the Share Options. The adjustments to be made to all outstanding Share Options as certified by the Company's auditors are set out as below:

| Number of Share<br>Options before<br>Rights Issue | Exercise price<br>prior to the<br>Rights Issue<br><i>HK\$</i> | Number of<br>Share Options<br>after<br>Rights Issue | Adjusted<br>exercise price<br>after the<br>Rights Issue<br><i>HK\$</i> |
|---|---|---|--|
| 2,763,557   | 1.6698  | 2,825,729   | 1.6331   |
| 743,113   | 3.1072  | 759,830   | 3.0389   |
| 81,928,428  | 5.0569  | 83,771,586  | 4.9457   |
| 4,540,000   | 5.3100  | 4,642,137   | 5.1932   |
| 40,300,000  | 10.4600   | 41,206,636  | 10.2299  |
| 54,900,000  | 10.5040   | 56,135,095  | 10.2729  |
| <hr/> <u>185,175,098</u>                          |   | <hr/> <u>189,341,013</u>                            |  |

### FIRST QUARTER 2013 FINANCIAL RESULTS PUBLISHED BY CERTAIN LISTED SUBSIDIARIES AND ASSOCIATED COMPANIES OF THE GROUP AND CERTAIN OTHER LISTED COMPANIES IN WHICH THE GROUP IS INVESTED

Shareholders should note that the following listed subsidiaries and associated companies of the Group, and certain other companies in which the Group is invested, have announced their quarterly financial results for the first quarter ended 31 March 2013. The table below sets out the names of the relevant companies; the Company's attributable economic interest in each of the relevant companies; the relevant stock exchange on which the securities of each of the relevant companies are listed; and the date on which the quarterly financial results were announced.



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## LETTER FROM THE BOARD

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| Name of relevant company                    | The Company's<br>attributable<br>economic<br>interest<br>in the relevant<br>company<br>the relevant | Stock<br>exchange on which<br>the shares of<br>company are listed | Date of<br>announcement<br>of results<br>for quarter ended<br>31 March 2013 |
|---|---|---|---|
| Philippine Long Distance Telephone Company* | 25.6%   | Philippine Stock Exchange   | 7 May 2013  |
| Metro Pacific Investments Corporation*      | 55.9%   | Philippine Stock Exchange   | 8 May 2013  |
| PT Indofood Sukses Makmur Tbk (“Indofood”)* | 50.1%   | Indonesia Stock Exchange  | 30 April 2013   |
| Philex Mining Corporation (“Philex”)*       | 31.2%#  | Philippine Stock Exchange   | 30 April 2013   |
| Indofood Agri Resources Ltd.*               | 29.9%   | Singapore Stock Exchange  | 29 April 2013   |
| Manila Electric Company                     | 19.7%   | Philippine Stock Exchange   | 22 April 2013   |
| PT Indofood CBP Sukses Makmur Tbk           | 40.3%   | Indonesia Stock Exchange  | 30 April 2013   |
| PT Salim Ivomas Pratama Tbk                 | 24.9%   | Indonesia Stock Exchange  | 29 April 2013   |
| PT PP London Sumatra Indonesia Tbk          | 14.8%   | Indonesia Stock Exchange  | 29 April 2013   |
| Philex Petroleum Corporation                | 46.7%   | Philippine Stock Exchange   | 19 April 2013   |

# Two Rivers Pacific Holdings Corporation, a Philippine affiliate of the Company, holds an additional 15.0% economic interest in Philex Mining Corporation.

Consistent with the Company’s past practice, the quarterly financial results of the companies listed above which have an asterisk next to their respective names have been reproduced by the Company in the form of overseas regulatory announcements published by the Company in Hong Kong in accordance with the Listing Rules, on the dates specified above, and are available on the Company’s website and the Stock Exchange’s website.

For the remaining companies which do not have an asterisk marked next to their respective names, Shareholders should refer to the relevant public disclosure made by those companies in accordance with the rules of the relevant stock exchange on which their shares are listed.

### REVIEW OF OPERATIONS – UPDATE

The Group’s operating businesses have been performing satisfactorily in 2013. However, Shareholders and potential investors should note that the Group’s recurring profit for the first half of 2013 is expected to be significantly less than recurring profit for the corresponding period in 2012. There are several principal reasons for that. First, Indofood’s contribution to the Group’s recurring profit is expected to be less than its contribution for the corresponding period in 2012, mainly due to lower crude palm oil prices and a weakening Rupiah. Secondly, in relation to Philex, the suspension of operations at the Padcal mine in August 2012 resulted in only 24 days’ production in the first quarter of 2013, compared to 91 days’ production in the corresponding period in 2012. Padcal mine operations resumed on 8 March

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## LETTER FROM THE BOARD

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2013, on a temporary basis for four months. The authorisation for temporary resumption of the mine's operations expires on 7 July 2013. The possible scenario following the expiry of that authorisation for temporary resumption are discussed in the section "General business trends and financial and trading prospects of the Group – Philex – Accident at Padcal mine" in Appendix I to this Prospectus. Thirdly, the Company's borrowings increased by approximately US\$400 million principally due to the issue, on 28 June 2012, of the US\$400 million 6.0% Guaranteed Bonds due 2019, the proceeds of which were used to fund the strategic acquisition of PacificLight Power Pte Ltd (formerly GMR Energy (Singapore) Pte Ltd) ("**PLP**") in March 2013. Interest expense has correspondingly increased to service the additional borrowings. Finally, the implementation of a new phase of the Company's long term incentive plan for employees and directors of the Group, as announced on 19 March 2013, 22 March 2013 and 4 June 2013, will have an accounting (non cash) impact on recurring profit for the first half of 2013.

### **PETITION FILED RELATING TO SHARE CAPITAL STRUCTURE OF PLDT**

As disclosed on pages 151-152 in the Company's annual report for the year ended 31 December 2012, in 2011 the Supreme Court of the Philippines promulgated a decision in the *Wilson P. Gamboa vs. Finance Secretary Margarito B. Teves, et. al.* (G.R. No. 176579) (the "**Gamboa Case**") whereby the Supreme Court held that "*the term 'capital' in Section 11, Article XII of the 1987 Constitution refers only to shares of stock entitled to vote in the election of directors and thus, in the case of PLDT, only to voting common shares, and not to the total outstanding capital stock (common and non-voting preferred shares)*" (the "**Decision**"). The Decision of the Supreme Court reversed earlier opinions issued by the Philippine Securities and Exchange Commission (the "**Philippine SEC**") that non-voting preferred shares are included in the computation of the 60% to 40% Filipino-alien equity requirement of certain economic activities, such as telecommunications which is a public utility under Section 11, Article XII of the 1987 Constitution. Several Motions for Reconsideration of the Decision were filed by the parties. On 18 October 2012, the Decision became final and executory.

While PLDT was not a party to the Gamboa Case, the Supreme Court directed the Philippine SEC in the Gamboa Case "*to apply this definition of the term 'capital' in determining the extent of allowable foreign ownership in Philippine Long Distance Telephone Company, and if there is a violation of Section 11, Article XII of the Constitution, to impose the appropriate sanctions under the law.*"

As further disclosed in the Company's annual report, PLDT sub-classified its preferred capital stock into preferred shares with voting rights and serial preferred shares without voting rights and issued 150 million voting preferred shares to BTF Holdings, Inc. ("**BTF**") (a wholly-owned company of the Board of Trustees for the Account of the Beneficial Trust Fund created pursuant to the Retirement Benefit Plan of PLDT). The voting preferred shares issued to BTF were issued by PLDT in order to increase the outstanding shares held by Filipinos who are entitled to vote for the election of directors to no less than 60% of such outstanding voting shares, in order to comply with the Decision.

As a result of the issue of the new voting preferred shares, the aggregate voting interest of the Company and its Philippine affiliates in PLDT reduced from approximately 25.6% to approximately 15.1%, but their aggregate attributable economic interest in PLDT was not materially affected. This was announced by the Company on 16 October 2012.

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## LETTER FROM THE BOARD

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The Philippine SEC issued Memorandum Circular No. 8, Series of 2013 (“**MC8**”), establishing guidelines for determining the nationality of a Philippine company pursuant to the Decision, establishing guidelines for determining the nationality of a Philippine company pursuant to the Decision. The Philippine SEC confirmed, pursuant to MC8, that PLDT is compliant with the nationality requirement of the Philippine Constitution.

As disclosed in the Company’s announcement dated 13 June 2013, the Company was notified by PLDT that PLDT has received a petition (the “**Petition**”) addressed to PLDT and the Philippine SEC. The Petition has been issued by Jose M. Roy III, who is a lawyer practicing in the Philippines. Mr. Roy may be a stockholder or former stockholder of PLDT, but that has yet to be confirmed.

The Petition alleges that MC8 is unconstitutional and contrary to the Decision. The Philippine SEC has previously confirmed, pursuant to Memorandum Circular No. 8, that PLDT is compliant with the nationality requirement of the Philippine Constitution. The Petition further alleges that BTF, which holds 150 million voting preferred shares in PLDT, does not qualify as a Philippine national under the nationality requirement of the Philippine Constitution and the Decision. In relation to that allegation, the Petition wrongly asserts that PLDT is the owner of the Beneficial Trust Fund, which wholly owns BTF because PLDT owns and controls the funds of the Beneficial Trust Fund. The Petition’s hypothesis is that if PLDT does not comply with the nationality requirements, then BTF would not do so either. The funds of the Beneficial Trust Fund are in fact owned and controlled by Trustees who are all Filipinos; and, accordingly, the fundamental premise of this allegation is false. Pursuant to Section 3(a) of Republic Act No. 7042, as amended, of the Foreign Investments Act, the fundamental legal requirements which are needed to be satisfied in order for the Beneficial Trust Fund to be considered Filipino is for the Beneficial Trust Fund’s Trustee to be a Filipino and for 60% of the fund to accrue to the benefit of Filipinos. Both requirements are present in the Beneficial Trust Fund as all of the five Trustees of the Beneficial Trust Fund are Filipinos and not just 60% but 100% of the Beneficial Trust Fund will accrue to the benefit of Filipino beneficiaries of the fund.

The Company believes that PLDT is fully compliant with the Philippine nationality requirement under Article XII of the Philippine Constitution. The Decision remains a final and binding decision of the Supreme Court of the Philippines, concluded after many years of litigation and many motions for reconsideration. MC 8 remains in full force as a valid and binding regulation of the Philippine SEC. Until the Supreme Court orders it to do so, PLDT is not required to comment on the Petition or issue any pleadings in relation thereto. Having carefully considered the matter, the Company has no reason to believe that the state of affairs will change as a result of the Petition, or that the Petition will have any impact on the business of the Group.

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## LETTER FROM THE BOARD

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### GENERAL

The Group is principally engaged in telecommunications, infrastructure, consumer food products and natural resources.

The audited consolidated net asset value of the Group attributable to equity holders of the Company as at 31 December 2012 was approximately US\$3,233.3 million (approximately HK\$25,090.4 million). For the financial year ended 31 December 2012, the audited consolidated profits before and after taxation of the Group were approximately US\$1,060.0 million (approximately HK\$8,225.6 million) and US\$830.2 million (approximately HK\$6,442.4 million) respectively. For the financial year ended 31 December 2011, the audited consolidated profits before and after taxation of the Group were approximately US\$1,313.2 million (approximately HK\$10,190.4 million) and US\$1,097.4 million (approximately HK\$8,515.8 million) respectively.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

## 1. SUMMARY OF FINANCIAL RESULTS AND CONDITIONS OF THE GROUP

The following financial information has been extracted from the audited consolidated financial statements of the Group as published in the Company's annual reports for the two years ended 31 December 2011 and 2012.

|  | Year ended 31 December           |  |                                  |
|--|----------------------------------|--|----------------------------------|
|  | 2012                             | 2011   | 2010                             |
|  | <i>US\$ million</i><br>(Audited) | (Restated)<br><i>US\$ million</i><br>(Audited) | <i>US\$ million</i><br>(Audited) |
| Turnover   | 5,990.8                          | 5,684.1  | 4,640.2                          |
| Profit before taxation   | 1,060.0                          | 1,313.2  | 978.7                            |
| Taxation   | 229.8                            | 215.8  | 203.2                            |
| Profit for the year  | <u>830.2</u>                     | <u>1,097.4</u>                                 | <u>775.5</u>                     |
| Attributable to:   |                                  |  |                                  |
| Owners of the parent   | 348.8                            | 574.0  | 403.7                            |
| Non-controlling interests  | 481.4                            | 523.4  | 371.8                            |
|  | <u>830.2</u>                     | <u>1,097.4</u>                                 | <u>775.5</u>                     |
| Ordinary share dividends   |                                  |  |                                  |
| Interim – 2012: US 1.03 cent<br>(2011: US 1.03 cent, 2010: US 0.77 cent)<br>per share        | 39.6                             | 39.6   | 29.9                             |
| Special – 2012: Nil<br>(2011: US 0.15 cent, 2010: US 0.24 cent)<br>per share                 | –                                | 6.0  | 9.5                              |
| Proposed final – 2012: US 1.67 cent<br>(2011: US 1.67 cent, 2010: US 1.54 cent)<br>per share | 63.8                             | 64.2   | 60.0                             |
| Total  | <u>103.4</u>                     | <u>109.8</u>                                   | <u>99.4</u>                      |
| Earnings per share attributable to owners<br>of the parent (US cents)                        |                                  |  |                                  |
| – Basic  | 9.09                             | 14.81  | 10.40                            |
| – Diluted  | 8.99                             | 14.60  | 10.08                            |

**Assets and liabilities of the Group**

|   | <b>Year ended 31 December</b>    |                                  |                                  |
|---|----------------------------------|----------------------------------|----------------------------------|
|   | <b>2012</b>                      | <b>2011</b>                      | <b>2010</b>                      |
|   | <i>US\$ million</i><br>(Audited) | <i>US\$ million</i><br>(Audited) | <i>US\$ million</i><br>(Audited) |
| Total assets  | 13,880.0                         | 12,611.8                         | 10,914.1                         |
| Less: Total liabilities                                       | 6,636.0                          | 5,732.6                          | 5,302.0                          |
| Non-controlling interests                                     | 4,010.7                          | 3,856.5                          | 3,036.9                          |
| Net asset value attributable to equity holders of the Company | <u>3,233.3</u>                   | <u>3,022.7</u>                   | <u>2,575.2</u>                   |

**2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2012 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.firstpacific.com>):

- annual report of the Company for the year ended 2011 published on 20 March 2012 (pages 92 to 171); and
- annual report of the Company for the year ended 2012 published on 19 March 2013 (pages 92 to 182).

**3. INDEBTEDNESS AND BORROWINGS**

As at 30 April 2013, the Group had outstanding borrowings of approximately US\$5,238.2 million (approximately HK\$40,648.4 million). The borrowings comprised secured bank loans of US\$1,083.0 million (approximately HK\$ 8,404.1 million), unsecured bank loans of US\$1,711.4 million (approximately HK\$13,280.4 million), secured other loans of US\$846.8 million (approximately HK\$6,571.2 million) and unsecured other loans of US\$1,597.0 million (approximately HK\$12,392.7 million).

The secured bank loans and secured other loans were secured by certain of the Group's property, plant and equipment, plantations, available-for-sale assets, accounts receivables, pledged deposits, cash and cash equivalents, inventories and receipts from future toll collections and funds in the related accounts and the Group's interest of approximately 12.8% in PLDT, approximately 43.1% in Metro Pacific Investments Corporation ("MPIC"), approximately 99.8% in Metro Pacific Tollways Corporation and 100% in Cavite Infrastructure Corporation ("CIC").

The other loans comprised secured bonds of US\$832.9 million (approximately HK\$6,463.3 million) and unsecured bonds of US\$1,235.2 million (approximately HK\$9,585.2 million) (as described below), unsecured trust receipt loans of US\$355.5 million (approximately HK\$2,758.7 million) and others. The bonds issued by the Group as at 30 April 2013 comprised the following:

- (a) US\$296.1 million (approximately HK\$2,297.7 million) (with a face value of US\$300.0 million or HK\$2,328.0 million) of guaranteed secured bonds issued by FPMH Finance Limited, a wholly-owned subsidiary company of the Company, in July 2010, with a coupon rate of 7.375% per annum, are payable semi-annually, and mature in July 2017. The bonds are guaranteed by the Company and are secured by (i) an approximately 43.1% interest in MPIC common shares and (ii) an amount of cash to be used for the payment of next installment interest of the bonds.
- (b) US\$396.0 million (approximately HK\$3,073.0 million) (with a face value of US\$400.0 million or HK\$3,104.0 million) of guaranteed secured bonds issued by FPT Finance Limited, a wholly-owned subsidiary company of the Company, in September 2010, with a coupon rate of 6.375% per annum, are payable semi-annually, and mature in September 2020. The bonds are guaranteed by the Company and secured by an approximately 6.9% interest in PLDT.
- (c) Php 5.8 billion (approximately US\$140.8 million or HK\$1,092.6 million) of secured Php bonds issued by Manila Cavite Toll Road Finance Corporation, a subsidiary company of CIC and MPIC, in April 2012, with a Philippine Dealing System Treasury Fixing/Bankgo Sentral ng Pilipinas Overnight Reverse Purchase Rate-based variable rate, are payable quarterly, and with principal repayable during June 2012 to March 2019. The bonds are secured by (i) a 100% interest in CIC common shares and (ii) CIC's receipts from future toll collections and funds in the related accounts.
- (d) US\$395.2 million (approximately HK\$3,066.8 million) (with a face value of US\$400.0 million or HK\$3,104.0 million) of guaranteed unsecured bonds issued by FPC Finance Limited, a wholly-owned subsidiary company of the Company, in June 2012, with a coupon rate of 6.0% per annum, are payable semi-annually, and mature in June 2019. The bonds are guaranteed by the Company.
- (e) US\$395.0 million (approximately HK\$3,065.2 million) (with a face value of US\$400.0 million or HK\$3,104.0 million) of guaranteed unsecured bonds issued by FPC Treasury Limited, a wholly-owned subsidiary company of the Company, in April 2013, with a coupon rate of 4.5% per annum, are payable semi-annually, and mature in April 2023. The bonds are guaranteed by the Company.
- (f) Rupiah 1.6 trillion (approximately US\$165.3 million or HK\$1,282.7 million) of unsecured Rupiah bonds issued by PT Indofood Sukses Makmur Tbk ("**Indofood**") in June 2009, with a coupon rate of 13.2% per annum, are payable quarterly, and mature in June 2014.
- (g) Rupiah 2.0 trillion (approximately US\$204.9 million or HK\$1,590.0 million) of unsecured Rupiah bonds issued by Indofood in May 2012, with a coupon rate of 7.25% per annum, are payable quarterly, and mature in May 2017.

- (h) Rupiah 450 billion (approximately US\$46.3 million or HK\$359.3 million) of unsecured Rupiah bonds issued by PT Salim Ivomas Pratama Tbk (“SIMP”), a subsidiary company of Indofood, in November 2009, with a coupon rate of 11.65% per annum, are payable quarterly, and mature in November 2014.
- (i) Rupiah 277 billion (approximately US\$28.5 million or HK\$221.2 million) of unsecured Islamic lease-based bonds issued by SIMP in November 2009, with a coupon rate of 11.65% per annum, are payable quarterly, and mature in November 2014.

In addition to the above mentioned, the Group and the non-controlling shareholders of certain non-wholly owned subsidiaries had provided unsecured loans to such subsidiaries pro rata to their respective economic interests in the relevant subsidiaries. As at 30 April 2013, the balance of such loans from the non-controlling shareholders was US\$218.7 million (approximately HK\$1,697.1 million).

As at 30 April 2013, except for US\$107.3 million (approximately HK\$832.6 million) of guarantees given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers’ production and sale of fresh fruit bunches to Indofood, the Group did not have any material contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30 April 2013 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities.

There is no material change in the Group’s outstanding indebtedness and contingent liabilities from 30 April 2013 to the Latest Practicable Date.

#### **4. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the estimated net proceeds from the proposed Rights Issue, the internal resources and the available banking facilities of the Group and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for the twelve months from the date of the Prospectus.



## 5. GENERAL BUSINESS TRENDS AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company and the Group's principal investments have had the following developments since 31 December 2012.

### The Company

#### *Issue of US\$400,000,000 Guaranteed Bonds*

On 16 April 2013, FPC Treasury Limited, a wholly-owned subsidiary of the Company, completed the issue of US\$400,000,000 4.5% Guaranteed Bonds due 2023 irrevocably and unconditionally guaranteed by the Company. The bonds were listed on the Stock Exchange on 17 April 2013.

#### *Acquisition of Equity Interest in PacificLight Power Pte Ltd*

On 4 March 2013, FPM Power Holdings Limited ("**FPM Power**"), a company 60%-owned by the Company and 40%-owned by Meralco PowerGen Corporation (a wholly-owned subsidiary of Manila Electric Company ("**Meralco**")), entered into a sale and purchase agreement (the "**SPA**") with GMR Infrastructure Limited and GMR Infrastructure (Singapore) Pte Limited (together, the "**Sellers**"), pursuant to which FPM Power agreed to acquire a (i) 70% equity interest in PacificLight Power Pte Ltd (formerly GMR Energy (Singapore) Pte Ltd.) ("**PLP**") and (ii) in aggregate approximately US\$157 million of shareholders' loans due from PLP and/or its subsidiary company to the Sellers, for a consideration of S\$600 million. In addition, FPM Power agreed to assume all equity contribution obligations of the Sellers under a sponsor support agreement (the "**Sponsor Agreement**"), including the obligation to provide equity contributions of approximately S\$60 million by the end of December 2013. Under the Sponsor Agreement, FPM Power is also subject to contingent equity contribution obligations of up to approximately US\$152 million.

The transaction was completed on 28 March 2013. The consideration payable under the SPA, together with the obligation to provide equity contributions to PLP was financed from internal resources of the Company and Meralco PowerGen Corporation on a 60:40 basis.

PLP is a company established in 1999 for the construction, operation and maintenance of a two-unit natural gas power plant in Jurong Island, Singapore. PLP was granted an electricity licence and a gas licence by the Energy Market Authority of Singapore for electricity generation and shipping of gas within Singapore. PLP's wholly-owned subsidiary is licensed to retail electricity in Singapore. The PLP power plant comprises two separate units and is expected to complete and commence operations by the end of 2013. Each unit (when completed) is expected to have a gross capacity of 400 megawatts (800 megawatts in total) and net capacity of 385.5 megawatts (771 megawatts in total).

*Loans to Philex*

In October 2012, the Company agreed to provide Philex Mining Corporation (“**Philex**”) an aggregate facility of up to US\$200 million over the following 12 months, principally for financing Philex’s capital expenditures of its Silangan Project and Padcal mine, and for general working capital purposes. During November 2012 to April 2013, the Company, through certain indirect wholly-owned subsidiary companies, granted in aggregate approximately US\$131 million of loans to Philex in respect of this facility. These amounts remain outstanding as at the Latest Practicable Date.

**PLDT***Investment in Philippine Depositary Receipts of MediaQuest Holdings, Inc.*

Between June and August of 2012, ePLDT (a wholly-owned subsidiary of PLDT) made deposits totaling Php 6 billion with MediaQuest Holdings, Inc. (“**MediaQuest**”), a wholly-owned company of the Board of Trustees for the Account of PLDT’s Beneficial Trust Fund, for the subscription of Philippine Depositary Receipts (“**PDRs**”) to be issued by MediaQuest in relation to its indirect interest in Mediascape, Inc. (“**Mediascape**”). Mediascape is a wholly-owned subsidiary of Satventures, Inc. (“**Satventures**”), which is a wholly-owned subsidiary of MediaQuest. The Mediascape PDRs confer an economic interest in common shares of Mediascape indirectly owned by MediaQuest, and when issued, will provide ePLDT, Inc (“**ePLDT**”) with a 40% economic interest in Mediascape. Mediascape operates a direct-to-home (“**DTH**”) pay-TV business under the brand name “SignalTV”, which is the largest DTH pay-TV operator in the Philippines with over 458,000 subscribers as at 31 March 2013. As at the Latest Practicable Date, the Mediascape PDRs have not been issued.

On 5 March 2013, PLDT’s board of directors approved two further investments in additional PDRs of MediaQuest:

- a Php 3.6 billion investment by ePLDT in PDRs to be issued by MediaQuest in relation to its interest in Satventures. The Satventures PDRs confer an economic interest in common shares of Satventures owned by MediaQuest, and when issued, will provide ePLDT with a 40% economic interest in Satventures; and
- a Php 1.95 billion investment by ePLDT in PDRs to be issued by MediaQuest in relation to its interest in Hastings Holdings, Inc. (“**Hastings**”). The Hastings PDRs confer an economic interest in common shares of Hastings owned by MediaQuest, and when issued, will provide ePLDT with a 100% economic interest in Hastings. Hastings is a wholly-owned subsidiary of MediaQuest and holds all the print-related investments of MediaQuest, including minority positions in the Philippine Star, the Philippine Daily Inquirer, and BusinessWorld, three of the leading newspapers in terms of circulation in the Philippines.

From March to May 2013, ePLDT made various deposits totalling Php 2.4 billion for its investment in Satventures PDRs of MediaQuest. As at the Latest Practicable Date, the Satventures PDRs have not been issued.

The PLDT group's financial investment in PDRs of MediaQuest is part of the PLDT group's overall strategy of broadening its distribution platforms and increasing the PLDT group's ability to deliver multimedia content to its customers across the PLDT group's broadband and mobile networks.

### *Disposal of BPO business*

On 4 December 2012, PLDT's board of directors authorised the sale of its business process outsourcing ("BPO") segment. Consequently, as at 31 December 2012, the BPO segment was classified as discontinued operations and a disposal group held-for-sale. The BPO segment met the criteria of an asset to be classified as held-for-sale as at 31 December 2012 for the following reasons: (1) the BPO segment was available for immediate sale and can be sold to a potential buyer in its current condition; (2) the PLDT's board of directors had approved the plan to sell the BPO segment and PLDT had entered into preliminary negotiations with a potential buyer, and should the negotiation with the potential buyer not lead to a sale, PLDT expects to be able to seek other sale opportunities as a number of other potential buyers had been identified; and (3) PLDT's board of directors expected negotiations to be finalised and the sale to be completed in the second quarter of 2013.

Subsequently, on 5 February 2013, PLDT entered into an agreement to sell the BPO business owned by its wholly-owned subsidiary, SPi Global to Asia Outsourcing Gamma Limited ("AOGL"), a company controlled by CVC Capital Partners ("CVC"). The sale of the BPO business was completed on 30 April 2013, yielding net proceeds in excess of US\$300 million. PLDT reinvested approximately US\$40 million of the proceeds from the sale in AOGL, resulting in an approximate 19.7% interest, and will continue to participate in the growth of the business as a partner of CVC. Upon the completion of the sale, PLDT will be subject to certain obligations, including: (1) an obligation, for a period of five years, not to carry on or be engaged or concerned or interested in or assist any business which competes with the BPO business as carried on at the relevant time or at any time in the 12 months prior to such time in any territory in which such business is carried on (excluding activities in the ordinary course of PLDT's business); and (2) an obligation, for a period of up to five years, to provide transition services on a most-favoured-nation basis (i.e., no less favourable material terms (including pricing) than those offered by PLDT or any of its controlled affiliates to any other customer in relation to services substantially similar to those provided or to be provided). In addition, PLDT may be liable for certain damages actually suffered by the buyer arising out of, among others, breach of representation, tax matters and non-compliance of Indian employment laws by SPi Technologies India Pvt. Ltd., a wholly-owned subsidiary of SPi.

### *Petition filed relating to share capital structure of PLDT*

As disclosed on pages 151-152 in the Company's annual report for the year ended 31 December 2012, in 2011 the Supreme Court of the Philippines promulgated a Decision in Wilson P. Gamboa vs. Finance Secretary Margarito B. Teves, et. al. (G.R. No. 176579) (or the Gamboa Case), whereby the Supreme Court held that "*the term 'capital' in Section 11, Article XII of the 1987 Constitution refers only to shares of stock entitled to vote in the election of directors and thus, in the case of PLDT, only to voting common shares, and not to the total outstanding capital stock (common and non-voting preferred shares)*" (or the Decision). The Decision of the Supreme Court reversed earlier opinions issued by the Philippine SEC that non-voting preferred shares are included in the computation of the 60% to 40% Filipino-alien

equity requirement of certain economic activities, such as telecommunications which is a public utility under Section 11, Article XII of the 1987 Constitution. Several Motions for Reconsideration of the Decision were filed by the parties. On 18 October 2012, the Decision became final and executory.

While PLDT was not a party to the Gamboa Case, the Supreme Court directed the Philippine SEC in the Gamboa Case *“to apply this definition of the term ‘capital’ in determining the extent of allowable foreign ownership in Philippine Long Distance Telephone Company, and if there is a violation of Section 11, Article XII of the Constitution, to impose the appropriate sanctions under the law.”*

As further disclosed in the Company’s annual report, PLDT sub-classified its preferred capital stock into preferred shares with voting rights and serial preferred shares without voting rights and issued 150 million voting preferred shares to BTF. The voting preferred shares issued to BTF were issued by PLDT in order to increase the outstanding shares held by Filipinos who are entitled to vote for the election of directors to no less than 60% of such outstanding voting shares, in order to comply with the Decision.

As a result of the issue of the new voting preferred shares, the aggregate voting interest of the Company and its Philippine affiliates in PLDT reduced from approximately 25.6% to approximately 15.1%, but their aggregate attributable economic interest in PLDT was not materially affected. This was announced by the Company on 16 October 2012.

The Philippine SEC issued MC8, establishing guidelines for determining the nationality of a Philippine company pursuant to the Decision. The Philippine SEC confirmed, pursuant to MC8, that PLDT is compliant with the nationality requirement of the Philippine Constitution.

As disclosed in the Company’s announcement dated 13 June 2013, the Company was notified by PLDT that PLDT has received the Petition addressed to PLDT and the Philippine SEC. The Petition has been issued by Jose M. Roy III, who is a lawyer practicing in the Philippines. Mr. Roy may be a stockholder or former stockholder of PLDT, but that has yet to be confirmed.

The Petition alleges that MC8 is unconstitutional and contrary to the Decision. In this regard, the Petition asserts that the 60% Philippine ownership requirement should be applied separately to each class of shares, whether common, preferred non-voting, preferred voting or any other class. The Petition further alleges that BTF does not qualify as a Philippine national under the nationality requirement of the Philippine Constitution and the Decision. In relation to that allegation, the Petition wrongly asserts that PLDT is the owner of the Beneficial Trust Fund, which wholly owns BTF because PLDT owns and controls the funds of the Beneficial Trust Fund. The Petition’s hypothesis is that if PLDT does not comply with the nationality requirements, then BTF would not do so either. The funds of the Beneficial Trust Fund are in fact owned and controlled by Trustees who are all Filipinos; and, accordingly, the fundamental premise of this allegation is false. Pursuant to Section 3(a) of Republic Act No. 7042, as amended, of the Foreign Investments Act, the fundamental legal requirements which are needed to be satisfied in order for the Beneficial Trust Fund to be considered Filipino is for the Beneficial Trust Fund’s Trustee to be a Filipino and for 60% of the fund to accrue to the benefit of Filipinos. Both requirements are present in the Beneficial Trust Fund as all of the five Trustees of the Beneficial Trust Fund are Filipinos and not just 60% but 100% of the Beneficial Trust Fund will accrue to the benefit of Filipino beneficiaries of the fund.

The Company believes that PLDT is fully compliant with the Philippine nationality requirement under Article XII of the Philippine Constitution. The Decision remains a final and binding decision of the Supreme Court of the Philippines, concluded after many years of litigation and many motions for reconsideration. MC8 remains in full force as a valid and binding regulation of the Philippine SEC. Until the Supreme Court orders it to do so, PLDT is not required to comment on the Petition or issue any pleadings in relation thereto. Having carefully considered the matter, the Company has no reason to believe that the state of affairs will change as a result of the Petition, or that the Petition will have any impact on the business of the Group.

Shareholders and investors should also refer to the relevant announcements and/or regulatory filings of PLDT for information.

## **MPIC**

### ***Partial Disposal of Interest in Maynilad***

On 13 February 2013, MPIC and DMCI Holdings, Inc. (“**DMCI**”) reached an agreement with Marubeni Corp. of Japan (“**Marubeni**”) for Marubeni to acquire a 20% economic interest in Maynilad Water Services, Inc. (“**Maynilad**”). Marubeni, through an affiliate, acquired a shareholding of 21.54% in DMCI-MPIC Water Company, Inc. (“**DMWC**”), the joint venture holding company which holds 92.9% of the shares in Maynilad. As a result of this transaction, MPIC’s effective interest in Maynilad reduced from 56.8% to 52.8%.

### ***Private Placement of MPIC shares***

On 22 January 2013, MPIC conducted an equity fund raising through a placing and subscription transaction, whereby (i) Metro Pacific Holdings, Inc. (“**MPHI**”), a Philippine affiliate of the Company, offered to sell 1,330,000,000 of its shares in MPIC to certain investors, and (ii) MPIC issued to MPHI new common shares in the same number and at the same price as the shares sold pursuant to the offer, with such new common shares being listed as soon as practicable thereafter. The net proceeds of approximately Php 6.0 billion from the placing and subscription transaction are intended by MPIC to support the expansion of its toll roads, water and hospitals businesses. As a result of this transaction, the interest of MPHI in MPIC was reduced from 59.0% to 55.9%.

### ***Financial investment in the CAVITEX***

On 27 December 2012, MPIC and Metro Pacific Tollways Corporation (“**MPTC**”) entered into a P6.8 billion financing and cooperation agreement, the CAVITEX Toll Road Concession Agreement, with CAVITEX Holdings Inc. (“**CHI**”), which indirectly holds the concession for the operation and maintenance of the Manila-Cavite Toll Expressway (“**CAVITEX**”) through its subsidiary, CIC. Pursuant to the CAVITEX Toll Road Concession Agreement, CHI issued a convertible note to MPTC entitling MPTC the option to convert the note in the future into: (i) new, non-voting redeemable convertible preference shares of CHI; or (ii) subject to securing certain approvals and conditions, common shares of CIC. In addition, MPTC obtained sole and direct management control of the operations of CIC with effect from 2 January 2013.

**Indofood***Acquisition of Stake in CMAA*

In January 2013, IFAR Brazil Participações Ltda. (“**IndoAgri Brazil**”), a 59.7%-owned indirect subsidiary company of Indofood entered into certain definitive agreements to acquire a 50% economic interest in Companhia Mineira de Açúcar e Álcool Participações (“**CMAA**”) for a total consideration of Brazilian Real 143.4 million. CMAA principally engages in the cultivation and processing of sugar cane for the production and marketing of sugar and ethanol, as well as cogeneration of electric power from sugar cane bagasse. The transaction is expected to be completed during the second quarter of 2013.

*Acquisition of interest in CMFC*

On 15 February 2013, Indofood entered into a subscription agreement with China Minzhong Food Corporation Limited (“**CMFC**”), an integrated vegetable processor with cultivation, processing and sales capabilities in the PRC and has listed its shares on the Singapore Stock Exchange. Pursuant to the agreement, CMFC would allot and issue a total of 98,000,000 new ordinary shares to Indofood at a consideration of S\$89,670,000. Immediately following the completion of the subscription on 25 February 2013, Indofood held approximately 14.95% of the total issued share capital of CMFC.

On 28 February 2013, Indofood further increased its stakes in CMFC from 14.95% to 29.33% of CMFC’s total issued share capital, through the acquisition of 94,245,382 shares from Tetrad Ventures Pte Ltd at S\$1.12 per share.

*Investment in MPM*

On 8 March 2013, SIMP and PT PP London Sumatra Indonesia Tbk (“**Lonsum**”) signed a subscription agreement with respect to the subscription of new shares of PT Mentari Pertiwi Makmur (“**MPM**”) for a total consideration of Rp330 billion. As a result, the effective shareholding of the SIMP in MPM became 79.7%. MPM is an investment company which owned the equity investment in PT Sumalindo Alam Lestari (“**SAL**”), including its subsidiary, PT Wana Kaltim Lestari (together with SAL, the “**SAL Group**”). SAL Group is engaged in industrial forest plantations.

**Philex***Delay of drilling by Forum*

In January 2013, the Philippine Department of Energy granted the request by Forum Energy Plc, a subsidiary of Philex Petroleum, for an extension to the second sub-phase of Service Contract 72, which comprises the drilling of two appraisal wells at the Sampaguita natural gas field. The deadline for completion of the second sub-phase has now been extended by two years to 14 August 2015.

*Accident at Padcal mine*

As a result of an accidental discharge of water and tailings from one of the two underground tunnels that drains water from its tailings pond No. 3 of the Padcal mine on 1 August 2012, Philex suspended its Padcal mine's operations to conduct a remediation and rehabilitation of its tailings pond No. 3 beginning in August 2012. In connection with this accident, Philex has paid in February 2013 a tailings fee of Php 1.034 billion charged by the Mines and Geosciences Bureau ("MGB"). Philex has substantially recovered the payment of this fee through a receipt of US\$25 million from an insurance claim in February 2013. Following the payment of this fee, MGB issued an order granting Philex the authority to resume operations to undertake urgent remediation measures for its tailings pond No. 3, subject to the condition that the resumption of operations shall not exceed four months, and that an independent third party chosen from a list approved by MGB shall be commissioned to undertake a monitoring and audit of the remediation measures undertaken by Philex. The temporary resumption of the operations of Padcal mine commenced on 8 March 2013 and the four months period of temporary resumption of operations authorised by the MGB will expire on 7 July 2013. Discussions with the MGB regarding the remediation measures are ongoing and the independent third party chosen by Philex is conducting its audit of the remediation measures undertaken by Philex. After the expiry of the four months period of temporary resumption of operations of the Padcal mine authorised by the MGB, it is possible that a further suspension of the mine's operations may be required by the MGB, or a further period of temporary resumption of the mine's operations may be authorised by the MGB, or a permanent resumption of operations may be authorised; depending on the outcome of the ongoing discussions between Philex and the MGB. It is anticipated that Philex will make an announcement in relation to this matter, following a determination having been made by the MGB in relation to the Padcal mine's operations following the expiry of the currently authorised temporary period of resumption of operations to undertake remediation measures.

Philex received a letter from the National Power Corporation ("NPC") on 10 May 2013 in connection with the accident, in which NPC demands: (1) immediate removal of deposited 13,513,507 cubic meters of mine wastes from its reservoir or payment of Php 6,418,915,825 to enable NPC to remove the waste and to restore the reservoir to its condition prior to August 2012; (2) opportunity loss of Php 6,266,000 per year while the mine wastes are not yet removed from the reservoir; (3) compensation for damaged vegetation in the amount of Php 1,040,345.75; and (4) penalty of Php 500,000.

The NPC letter did not specify the legal and factual basis and did not provide any reasonable supporting detail for any of the demands. Accordingly, Philex has requested NPC on 21 May 2013 to provide such information, and stated that the failure to specify such legal basis or to provide any reasonable supporting detail for any of its claims prevents Philex from taking them seriously, and that it would be grossly irresponsible for Philex to accede to the unsubstantiated demands of NPC. Philex is still awaiting NPC's substantiation of its claims as at the Latest Practicable Date.

In any event, on the assumption that NPC's claims had valid legal and factual basis, as NPC's claims consist of two principal monetary claims that are alternative, and not cumulative, Philex's ultimate liability in the event of non-payment of the Php 6,418,915,825 alleged cost of removing the tailings from the reservoir is the payment of Php 6,266,000 per year representing the alleged opportunity cost, in addition to Php 1,040,345.75 and Php 500,000 being demanded for damaged vegetation and penalty, respectively. Accordingly, Philex is of the opinion that NPC's claims are not material.

*Rights Offering*

On 11 March 2013, Philex was authorised by its board to undertake a rights offering of common shares (“**Philex Offering**”). Philex expects to raise approximately Php 12.3 billion from the Philex Offering, the net proceeds of which will be used for repayment of loans from the Company, capital expenditures and exploration costs related to existing projects and general corporate purposes. At a special stockholders’ meeting of Philex held on 30 April 2013, stockholders holding or representing at least two thirds (2/3) of Philex’s outstanding capital stock approved, ratified and confirmed an amendment to Philex’s articles of incorporation to allow Philex to exclude, in any offering of shares for cash, shareholders not resident in the Philippines, if the cost to Philex of meeting the requirements of such offering would exceed the benefit to Philex. The amendment was approved by the Philippines Securities and Exchange Commission as of 6 May 2013.

*Suspension of operations of Brixton*

Operations of Brixton Energy and Mining Corporation (“**BEMC**”), a wholly-owned subsidiary of Philex Petroleum Corporation (“**Philex Petroleum**”), has been adversely affected by the significant drop in coal prices. In response to this unexpected change in market conditions, it has been decided to undertake a detailed review of the operations and prospects of the coal mining project under Coal Operating Contract No. 130 located at Diplahan, Zamboanga Sibugay. It is anticipated that this review could take up to six months until June 2013 to complete. Whilst this assessment is being undertaken, BEMC has determined that it would be prudent to suspend underground mining operations. In the meantime, activities will be confined to maintenance and repair of the coal mine, and to processing and marketing of existing coal inventory.

*Increase of Equity Interest in Pitkin*

On 5 April 2013, Philex Petroleum announced that it had increased its equity interest in Pitkin Petroleum Plc (“**Pitkin**”) from approximately 18.5% to 50.3%. The additional equity interest was acquired through a subscription of new shares and purchases of shares from existing shareholders, including the purchase of an approximately 6.9% interest from the Company. The total consideration for the acquired shares was US\$34.8 million, which was funded through advances from Philex.

**6. REVIEW OF OPERATIONS – UPDATE**

The Group’s operating businesses have been performing satisfactorily in 2013. However, Shareholders and potential investors should note that the Group’s recurring profit for the first half of 2013 is expected to be significantly less than recurring profit for the corresponding period in 2012. There are several principal reasons for that. First, Indofood’s contribution to the Group’s recurring profit is expected to be less than its contribution for the corresponding period in 2012, mainly due to lower crude palm oil prices and a weakening Rupiah. Secondly, in relation to Philex, the suspension of operations at the Padcal mine in August 2012 resulted in only 24 days’ production in the first quarter of 2013, compared to 91 days’ production in the corresponding period in 2012. Padcal mine operations resumed on 8 March 2013, on a temporary basis for four months. The authorisation for temporary resumption of the mine’s operations expires on 7 July 2013. The possible scenario following the expiry of that authorisation for temporary resumption are discussed above under the heading “Accident at Padcal Mine”. Thirdly, the



Company's borrowings increased by approximately US\$400 million principally due to the issue, on 28 June 2012, of the US\$400 million 6.0% Guaranteed Bonds due 2019, the proceeds of which were used to fund the strategic acquisition of PLP in March 2013. Interest expense has correspondingly increased to service the additional borrowings. Finally, the implementation of a new phase of the Company's long term incentive plan for employees and directors of the Group, as announced on 19 March 2013, 22 March 2013 and 4 June 2013, will have an accounting (non cash) impact on recurring profit for the first half of 2013.

For illustrative purposes only, set out below is the unaudited pro forma adjusted consolidated net tangible assets of the Group, as at 31 December 2012, after completion of the Rights Issue, as if the Rights Issue had taken place on 31 December 2012. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that it is inherently subject to adjustments and, because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

## **1. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

### **Introduction**

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group has been prepared by the Directors in accordance with Paragraph 4.29 of the Listing Rules to illustrate the effect of the proposed Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2012.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the audited consolidated net assets of the Group as at 31 December 2012, as extracted from the published annual report of the Group for the year ended 31 December 2012, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue as at the date to which it is made up or at any future date.

|  | Based on 480,194,901 Rights  |              | Per Share<br>HK\$ | No. of<br>Shares<br>outstanding<br>(million) |
|--|--|--------------|-------------------|--|
|  | Shares to be issued at<br>subscription price of<br>HK\$8.10 per Rights Share |              |                   |  |
|  | US\$ million   | HK\$ million |                   |  |
| Audited consolidated net assets of<br>the Group attributable to equity<br>holders of the Company as<br>at 31 December 2012 ( <i>Note 1</i> )   | 3,233.3  | 25,090.4     | 6.56              | 3,827.6                                      |
| Less: Audited consolidated intangible<br>assets of the Group attributable to<br>equity holders of the Company as<br>at 31 December 2012 ( <i>Note 2</i> )  | 3,114.0  | 24,164.6     |                   |  |
| Audited consolidated net tangible<br>assets of the Group attributable to<br>equity holders of the Company as<br>at 31 December 2012 ( <i>Note 3</i> )  | 119.3  | 925.8        | 0.24              | 3,827.6                                      |
| Estimated net proceeds from<br>the Rights Issue ( <i>Note 4</i> )  | 494.4  | 3,836.4      |                   | 480.2  |
| Unaudited pro forma adjusted consolidated<br>net tangible assets of the Group<br>attributable to the equity holders of the<br>Company after the completion<br>of the Rights Issue ( <i>Notes 5 and 6</i> ) | 613.7  | 4,762.2      | 1.11              | 4,307.8                                      |

*Notes:*

- (1) The audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2012 is extracted from the published annual report of the Company for the year ended 31 December 2012.
- (2) The audited consolidated intangible assets of the Group attributable to equity holders of the Company as at 31 December 2012 represent concession assets, brands and goodwill arising from the acquisition of subsidiary companies.
- (3) The audited consolidated net tangible assets of the Group attributable to equity holders of the Company per Share as at 31 December 2012 is calculated based on the audited consolidated net tangible assets of the Group attributable to equity holders of the Company of US\$119.3 million or HK\$925.8 million and the number of shares in issue of 3,827,587,751 as at 31 December 2012.
- (4) The estimated net proceeds from the Rights Issue of approximately US\$494.4 million or HK\$3,836.4 million are based on 480,194,901 Rights Shares to be issued (in the proportion of one Rights Share for every eight Existing Shares held as at the Record Date which is 3,841,559,209 Shares) at the subscription price of HK\$8.10 per Rights Share and after deduction of estimated related expenses of approximately US\$6.9 million or HK\$53.2 million.

- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company represents the audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2012 plus the estimated net proceeds from the Rights Issue (Note 4).
- (6) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of US\$613.7 million or HK\$4,762.2 million and the number of Shares in issue of 3,827,587,751 Shares as at 31 December 2012 and 480,194,901 Rights Shares to be issued pursuant to the Rights Issue.
- (7) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2012.

**2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA ADJUSTED  
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

17 June 2013

The Directors  
First Pacific Company Limited  
24th Floor, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Dear Sirs

**ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA ADJUSTED  
CONSOLIDATED NET TANGIBLE ASSETS**

We report on the unaudited pro forma adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of First Pacific Company Limited (the “Company”) and its subsidiaries (collectively the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the Company’s proposed rights issue of 480,194,901 rights shares of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 17 June 2013 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

**Respective Responsibilities of the Directors and the Reporting Accountants**

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 *Accountants' Reports on Pro Forma Financial Information in Investment Circulars* issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2012 or any future dates.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to 4.29(1) of the Listing Rules.

Yours faithfully

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

## 1. RESPONSIBILITY STATEMENT

This Prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

### *Directors*

#### *Chairman*

Anthoni Salim

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 64, born in Indonesia. Mr. Salim graduated from Ewell County Technical College in Surrey, England. He is the President and CEO of the Salim Group, President Director and CEO of Indofood and PT Indofood CBP Sukses Makmur Tbk, and holds positions as Commissioner and Director in various companies.

Mr. Salim serves on the Boards of Advisors of several multinational companies. He was a member of the GE International Advisory Board, and is currently a member of the Advisory Board of ALLIANZ Group, an insurance company based in Germany, and a member of Food & Agribusiness Advisory Board of Rabobank Asia. He joined the Asia Business Council in September 2004.

Mr. Salim has served as a Director of First Pacific since 1981 and assumed the role of Chairman in June 2003.

#### *Managing Director and Chief Executive Officer*

Manuel V. Pangilinan

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 66, born in the Philippines. Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. He holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan is the Chairman of Philippine Long Distance Telephone Company (PLDT), Metro Pacific Investments Corporation (MPIC), Manila Electric Company (Meralco), ePLDT, Inc., Smart Communications, Inc., PLDT Communications and Energy Ventures, Inc. (formerly named Pilipino Telephone Corporation), Digital Telecommunications Philippines Inc., Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, Manila North Tollways Corporation, Philex Mining Corporation, Philex Petroleum Corporation, Landco Pacific Corporation, Medical Doctors, Inc. (Makati Medical Center), Davao Doctors, Inc. and Colinas Verdes Corporation (Cardinal Santos Medical Center), Mediaquest Holdings, Inc., and Associated Broadcasting Corporation (TV 5).

In May 2006, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula, rank of Komandante in recognition of his contributions to the country. He was named Management Man of the Year 2005 by the Management Association of the Philippines. Mr. Pangilinan was awarded Honorary Doctorates in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School. Mr. Pangilinan is a member of the ASEAN Business Advisory Council.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation, Inc., Philippine Disaster Recovery Foundation (PDRF), and is a director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and of the Holy Angel University in Panganga.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation Inc., President of the Samahang Basketbol ng Pilipinas and Chairman of the Amateur Boxing Association of the Philippines (ABAP).

#### ***Executive Directors***

Robert C. Nicholson

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 57, born in Scotland. Mr. Nicholson, who is a graduate of the University of Kent, qualified as a solicitor in England and Wales and in Hong Kong. He is an Executive Chairman of Forum Energy Plc, a Commissioner of PT Indofood Sukses Makmur Tbk and a Director of Metro Pacific Investments Corporation, FPM Power Holdings Limited, Philex Mining Corporation and Philex Petroleum Corporation, all of which are First Pacific group subsidiaries, associates or investee companies.



Mr. Nicholson is also an Independent Non-executive Director of QPL International Holdings Limited and Pacific Basin Shipping Limited. Previously, he was a senior partner of Reed Smith Richards Butler from 1985 to 2001 where he established the corporate and commercial department, and was also a senior advisor to the board of directors of PCCW Limited between August 2001 and September 2003.

Mr. Nicholson has wide experience in corporate finance and crossborder transactions, including mergers and acquisitions, regional telecommunications, debt and equity capital markets, corporate reorganizations and privatizations in China. Mr. Nicholson joined First Pacific's Board in 2003.

Edward A. Tortorici

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 73, born in the United States. Mr. Tortorici received a Bachelor of Science from New York University and a Master of Science from Fairfield University. Mr. Tortorici has served in a variety of senior and executive management positions, including Corporate Vice President for Crocker Bank and Managing Director positions at Olivetti Corporation of America and Fairchild Semiconductor Corporation.

Mr. Tortorici subsequently founded EA Edwards Associates, an international management and consulting firm specializing in strategy formulation and productivity improvement with offices in US, Europe and Middle East.

In 1987 Mr. Tortorici joined First Pacific as an Executive Director for strategic planning and corporate restructuring, and launched the Group's entry into the telecommunications and technology sectors. Presently, he oversees corporate strategy for First Pacific and guides the Group's strategic planning and corporate development activities. Mr. Tortorici serves as a Commissioner of PT Indofood Sukses Makmur Tbk and as Director of Metro Pacific Investments Corporation, FPM Power Holdings Limited, Philex Mining Corporation, FEC Resources Inc. of Canada and AIM-listed Forum Energy Plc. Mr. Tortorici serves as a Trustee of the Asia Society Philippines, is on the Board of Advisors of the Southeast Asia Division of the Center for Strategic and International Studies, a Washington D.C. non partisan think tank. He served as a Commissioner of the US ASEAN Strategy Commission.

#### *Non-executive Directors*

Napoleon L. Nazareno

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 63, born in the Philippines. Mr. Nazareno holds a Bachelor of Science degree in Mechanical Engineering from the University of San Carlos in Cebu and a Master's degree in Business Management from the Asian Institute of Management (AIM). He has also completed the INSEAD Executive Program at the European Institute of Business Administration in Fontainebleau, France.

In 1973, Mr. Nazareno worked as an Assistant Product Manager at the Flexible Packaging Division in Phimco Industries, Inc. and in 1981, he joined the international firm Akerlund & Rausing as Acting Production Manager. In 1989, he was named President and CEO of Akerlund & Rausing (Philippines). Mr. Nazareno served as President and CEO of Metro Pacific Corporation from 1995 to 1999.

In 1998, Mr. Nazareno became President and CEO of PLDT Communications and Energy Ventures, Inc. (formerly named Pilipino Telephone Corporation, a cellular subsidiary of Smart Communications, Inc. (Smart)). He became President and CEO of Smart in 2000 and subsequently assumed the presidency at parent firm Philippine Long Distance Telephone Company in 2004, positions he continues to hold today. Mr. Nazareno is also a Director of Digital Telecommunications Philippines Inc. He also served as a board member of the GSM Association Worldwide from November 2004-2012. He joined First Pacific's Board in 2008.

Tedy Djuhar

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 61, born in Indonesia. Mr. Djuhar received a Bachelor of Economics degree from the University of New England in Australia. Mr. Djuhar is Vice President Commissioner of PT Indocement Tunggal Prakarsa Tbk, a Director of Pacific Industries and Development Limited, and a Director of a number of other Indonesian companies. He joined First Pacific's Board in 1981.

Benny S. Santoso

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 55, born in Indonesia. Mr. Santoso graduated from Ngee Ann College in Singapore. He serves as a Commissioner of PT Indofood Sukses Makmur Tbk, the President Commissioner of PT Indofood CBP Sukses Makmur Tbk and PT Nippon Indosari Corpindo Tbk, a Director of PT Indocement Tunggal Prakarsa Tbk and a member of the Advisory Board of Philippine Long Distance Telephone Company. He joined First Pacific's Board in 2003.

#### ***Independent Non-executive Directors***

Graham L. Pickles

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 56, born in Australia. Mr. Pickles holds a Bachelor of Business degree (majoring in accounting). Mr. Pickles has significant experience in the distribution and technology sectors, running several distribution businesses in Asia and Australasia in the IT and telecommunications industries over a career spanning more than 20 years.

He serves as a Commissioner of PT Indofood Sukses Makmur Tbk and was appointed Chairman of Asia Pacific Brands India Limited in 2005. Mr. Pickles was previously CEO of Tech Pacific Holdings Limited, a wholly-owned subsidiary of First Pacific Company Limited until it was sold in 1997. He was also a member of the executive committee of Hagemeyer N.V. in which First Pacific had a controlling interest until 1998. Mr. Pickles joined First Pacific's Board in 2004.

Professor Edward K.Y. Chen, *GBS, CBE, JP*

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 68, born in Hong Kong and educated at the University of Hong Kong and Oxford University. Professor Chen is an Independent Non-Executive Director of Asia Satellite Telecommunications and Wharf Holdings Limited. Professor Chen has served as President of Lingnan University; Professor and Director of the Centre of Asian Studies of the University of Hong Kong; Chairman of Hong Kong's Consumer Council; as an Executive Councillor of the Hong Kong Government; and as a Legislative Councillor. He is now a Distinguished Fellow of the Hong Kong Institute for the Humanities and Social Sciences at the University of Hong Kong, and Honorary Professor of the Open University of Hong Kong. Professor Chen joined First Pacific's Board in 1993.

Philip Fan Yan Hok

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 63, born in Hong Kong. Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology.

Mr. Fan had been an Executive Director of CITIC Pacific Limited in charge of industrial projects in China. Prior to his retirement as the Executive Director and General Manager of China Everbright International Limited, he made significant contribution to the company's leadership position in the Chinese Waste-to-energy industry.

Mr. Fan is an Independent Non-executive Director of China Everbright International Limited, HKC (Holdings) Limited and Hysan Development Company Limited. He is also an Independent Director of New York listed Suntech Power Holdings Co., Ltd. and Australia listed Goodman Group. Mr. Fan is a member of the Asian Advisory Committee of AustralianSuper, a pension fund established in Australia. He joined First Pacific's Board in December 2012.

Margaret Leung Ko May Yee, *SBS, JP*

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 60, born in Hong Kong. Mrs. Leung holds a Bachelor's Degree in Economics, Accounting and Business Administration from the University of Hong Kong. She was the Vice-Chairman and CEO of Hang Seng Bank Limited and Chairman of Hang Seng Bank (China) Limited prior to her retirement on 30 June 2012. Mrs. Leung also held various pivotal positions in HSBC Holdings Plc and The Hongkong and Shanghai Banking Corporation Limited from February 1978 until 30 June 2012. She was also an Independent Non-executive Director of the Hong Kong listed Swire Pacific Limited and Hutchison Whampoa Limited. Mrs. Leung was the Chairman of the Board of Governors of Hang Seng Management College and Hang Seng School of Commerce, and a Member of the Advisory Board and Chairman of the Investment Committee of the Hong Kong Export Credit Insurance Corporation from 2005 to 2010.

Mrs. Leung is a member of the Board of Directors and the Finance Committee of the Hospital Authority, the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HK Special Administrative Region, the Advisory Committee of the Securities and Futures Commission, and the Banking Review Tribunal. She is also a council member and member of the Finance Committee of the University of Hong Kong, a court member of the Hong Kong Baptist University and the Chairman of the Executive Committee of The Community Chest of Hong Kong.

Mrs. Leung is an Independent Non-executive Director of Sun Hung Kai Properties Limited, Li & Fung Limited and Hong Kong Exchanges and Clearing Limited. She joined First Pacific's Board in December 2012.

### ***Senior Management***

#### *Associate Director*

Ray C. Espinosa

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 57, born in the Philippines. Mr. Espinosa has a Master of Laws degree from the University of Michigan Law School and is a member of the Integrated Bar of the Philippines. He was a partner of SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C., US) from 1987 to 1988, and a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and 1989.

He is President and CEO of Mediaquest Holdings, Inc., ABC Development Corporation, Mediascape, Inc., and Nation Broadcasting Corporation. He is a Director of Philippine Long Distance Telephone Company (“PLDT”), Meralco PowerGen Corporation, Manila Electric Company (“MERALCO”), and Metro Pacific Investments Corporation, an Independent Director and Chairman of the Audit Committee of Lepanto Consolidated Mining Company and a Director and the Vice Chairman of Philweb Corporation. He is the General Counsel of MERALCO and Head of PLDT’s Regulatory Affairs and Policy Office. He is also a trustee of the Beneficial Trust Fund of PLDT.

Mr. Espinosa joined First Pacific on 1 June 2013. He is First Pacific Group’s Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines.

*Assistant Director*

Marilyn A. Victorio-Aquino

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 57, born in the Philippines. Ms. Aquino was educated at the University of Santo Tomas (A.B.) and University of the Philippines (LL.B., cum laude) and qualified as a barrister in the Philippines in 1981. She joined Sycip Salazar Hernandez and Gatmaitan Law Offices in the Philippines in 1980 where she became a partner in 1989.

Ms. Aquino’s practice focused on banking, finance and securities, construction and infrastructure, investments, mergers and acquisitions, and mining and natural resources.

She is a Director of Philex Mining Corporation, Philex Gold Philippine, Inc., Philex Petroleum Corporation, Silangan Mindanao Mining Company Inc. and Lepanto Mining Corporation, and a Non-executive Director of Pitkin Petroleum Plc. Ms. Aquino joined First Pacific in July 2012.

*Executive Vice President*  
*Group Financial Controller*

Richard L. Beacher

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 54, born in United Kingdom. Mr. Beacher received a BA (Hons) in Economics and Accounting from University of Newcastle Upon Tyne in the U.K. He is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Beacher moved to Hong Kong in 1984 with PriceWaterhouse and most recently served in financial positions with Hagemeyer Cosa Lieberman and latterly with Siemens Building Technologies as Global Business Line Controller. He is a Director of FPM Power Holdings Limited and a Non-executive Director of Forum Energy Plc. Mr. Beacher joined First Pacific in 2006.

*Executive Vice President  
Group Human Resources*

Maisie M.S. Lam

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 58, born in Hong Kong. Ms. Lam received a Diploma from the Hong Kong Polytechnic University/Hong Kong Management Association. She joined First Pacific in 1983.

*Executive Vice President  
Group Finance*

Joseph H.P. Ng

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 50, born in Hong Kong. Mr. Ng received an MBA and a Professional Diploma in Accountancy from Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Ng joined First Pacific in 1988 from PriceWaterhouse's audit and business advisory department in Hong Kong. Prior to his appointment as Executive Vice President, Group Finance in May 2002, Mr. Ng was Group Treasurer of the First Pacific Group and served in several senior finance positions within the Group. He is a Director of FPM Power Holdings Limited.

*Executive Vice President  
Group Corporate Communications*

John W. Ryan

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 47, born in the U.K. Mr. Ryan received a Bachelor of Arts degree from the University of Connecticut and completed a Master of Philosophy course on Slavonic and East European Studies at St. Antony's College, Oxford University. He spent several years as a financial journalist, opening and leading Bloomberg's Moscow bureau for five years in the early 1990s and later joining Dow Jones as Bureau Chief over the period 1998–2004 in Moscow and Hong Kong.

Mr. Ryan earlier served as Head of Corporate Communications, Asia Pacific for HSBC's wholesale bank. He joined First Pacific in 2010.

*Executive Vice President  
Group Corporate Development*

Stanley H. Yang

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 36, born in the United States. Mr. Yang received a BSc in Economics from the Wharton School of the University of Pennsylvania. He oversees the Group's corporate development activities including mergers and acquisitions, strategic investments and other portfolio expansion initiatives. Mr. Yang most recently was a Director in the investment banking division at Deutsche Bank where he led corporate finance coverage for the diversified industrials sector in Asia. He also served as a Director in Deutsche Bank's mergers and acquisitions department, advising clients on mergers and acquisitions, divestitures and leveraged investments in Asia and previously in the United States. Mr. Yang joined First Pacific in March 2013.

*Vice President  
Group Finance*

Richard P.C. Chan

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 43, born in Hong Kong. Mr. Chan received a BBA (Hons) degree from Hong Kong Baptist University and an MBA from the Chinese University of Hong Kong. He is a Certified Public Accountant (Practising), a CFA charterholder and a Fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has experience in auditing, accounting, finance and management spanning a diverse range of business activities. Mr. Chan joined First Pacific in 1996 from KPMG.

*Vice President  
Group Corporate Communications*

Sara S.K. Cheung

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 49, born in Hong Kong. Ms. Cheung received a BA in Business Economics from the University of California, Los Angeles and an MBA from Southern Illinois University, Carbondale. She is a member of the National Investor Relations Institute and the Hong Kong Investor Relations Association. She joined First Pacific in 1997 from the Public Affairs department of Wharf Limited and Wheelock and Company Limited.

*Vice President*  
*Company Secretary*

Nancy L.M. Li

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 56, born in Hong Kong. Ms. Li received a BA from McMaster University in Canada and a MSc in Corporate Governance and Directorship from Hong Kong Baptist University. She is a Fellow of the Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries & Administrators of Great Britain. Ms. Li joined First Pacific in 1987 from the Hong Kong Polytechnic University's academic secretariat. Prior to that, she worked in the company secretarial department of Coopers & Lybrand. Ms. Li was appointed as First Pacific's Company Secretary in May 2003.

*Vice President*  
*Group Tax and Treasury*

Peter T.H. Lin

Address: 24th Floor Two Exchange Square  
8 Connaught Place, Central, Hong Kong

Age 43, born in Hong Kong. Mr. Lin received a MSc in Management Sciences from the University of Southampton and a BSc in Economics and Statistics from Coventry University. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also a member of the Institute of Chartered Accountants in England and Wales and the Taxation Institute of Hong Kong. Mr. Lin joined First Pacific in 1998 from KPMG where he was a Tax Manager.



### 3. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were and following completion of the Rights Issue are expected to be as follows:

|  | <b>Par Value</b>  |
|--|-------------------|
| <i>Authorised:</i>   | <i>US\$</i>       |
| <u>6,000,000,000 Shares</u>                                      | <u>60,000,000</u> |
| <i>Issued and fully paid or credited as fully paid:</i>          | <i>US\$</i>       |
| <u>3,841,559,209 Shares as at the Latest Practicable Date</u>    | <u>38,415,592</u> |
| <i>Rights Shares to be issued:</i>                               |                   |
| <u>480,194,901 Shares</u>  | <u>4,801,949</u>  |
| <i>Issued share capital upon completion of the Rights Issue:</i> | <i>US\$</i>       |
| <u>4,321,754,110 Shares</u>                                      | <u>43,217,541</u> |

The nil-paid Rights Shares and the fully-paid Rights Shares will not entitle their holders to receive the final dividend in respect of the financial year ended 31 December 2012, recommended by the Directors on 19 March 2013, approved by the Shareholders on 30 May 2013 at the Company's annual general meeting and expected to be payable on 24 June 2013. After the Rights Shares have been fully paid, all of the Shares in issue then and to be issued will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Shares in issue and the Rights Shares to be issued are or will (as the case may be) be listed on the Stock Exchange.

### 4. DISCLOSURE OF INTERESTS

#### (i) Interests of Directors and chief executive in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

## (a) Long positions in shares in the Company

| Name                                    | Ordinary shares                 | Approximate percentage of issued share capital (%) | Ordinary shares options |
|---|---------------------------------|--|-------------------------|
| Anthoni Salim                           | 1,940,556,039 <sup>(C)(i)</sup> | 44.90 <sup>(ii)</sup>                              | –                       |
| Manuel V. Pangilinan                    | 54,137,927 <sup>(P)</sup>       | 1.41   | 29,098,934              |
| Edward A. Tortorici                     | 33,132,579 <sup>(P)</sup>       | 0.86   | 15,121,000              |
| Robert C. Nicholson                     | 12,914 <sup>(P)</sup>           | 0.00   | 29,958,388              |
| Benny S. Santoso                        | –                               | –  | 2,815,719               |
| Napoleon L. Nazareno                    | –                               | –  | 4,403,000               |
| Graham L. Pickles                       | –                               | –  | 2,473,000               |
| Prof. Edward K.Y. Chen,<br>GBS, CBE, JP | –                               | –  | 4,816,113               |
| Margaret Leung Ko May Yee,<br>SBS, JP   | –                               | –  | 1,773,000               |
| Philip Fan Yan Hok                      | –                               | –  | 1,773,000               |

(C) = Corporate interest, (P) = Personal interest

- (i) Anthoni Salim indirectly owns 100% of First Pacific Investments (B.V.I.) Limited. His indirect interests in First Pacific Investments (B.V.I.) Limited are held through Salerni International Limited (a company of which Anthoni Salim directly holds 100% of the issued share capital). First Pacific Investments (B.V.I.) Limited and Salerni International Limited are interested in 712,334,923 shares<sup>(ii)</sup> and 339,213,082 shares<sup>(iii)</sup> respectively in the Company. Anthoni Salim also owns 56.8% of First Pacific Investments Limited which, in turn, is interested in 889,008,034 shares in the Company. Of this, 10.0% is held by Anthoni Salim directly, and 46.8% by Salerni International Limited. The remaining 43.2% interest in First Pacific Investments Limited is owned as to 30.0% by Sutanto Djuhar (a former Non-executive Director of the Company), 10.0% by Tedy Djuhar (a Non-executive Director of the Company), and 3.2% by a company controlled by the estate of the late Mr. Ibrahim Risjad (a former Non-executive Director of the Company).
- (ii) The approximate percentage for Anthoni Salim is based on the total issued Share capital of the Company as enlarged by the Rights Issue, as his interests in Shares include his interests in unissued Rights Shares which he has undertaken to subscribe, or procure subscription, for pursuant to the Controlling Shareholder's Undertaking.

## (b) Long positions in shares in associated corporations

- Manuel V. Pangilinan owned 21,342,404 common shares<sup>(P)</sup> (0.08%)\* in MPIC, 229,033 common shares<sup>(P)</sup> (0.11%)\* in PLDT as beneficial owner and a further 15,417 common shares (less than 0.01%)\* in PLDT as nominee, 4,655,000 common shares<sup>(P)</sup> (0.09%)\* in Philex, 891,250 common shares<sup>(P)</sup> (0.05%)\* in Philex Petroleum, as well as 25,000 common shares<sup>(P)</sup> (less than 0.01%)\* in Meralco.
- Edward A. Tortorici owned 69,596 common shares<sup>(C)</sup> and 10,660,000 common shares<sup>(P)</sup> (collectively 0.04%)\* in MPIC, 104,874 common shares<sup>(P)</sup> (0.05%)\* in PLDT, 3,285,100 common shares<sup>(P)</sup> (0.07%)\* as well as 1,515,000 share options in Philex, and 37,512 common shares<sup>(P)</sup> (less than 0.01%)\* in Philex Petroleum as well as US\$600,000 of bonds due 2019 issued by FPC Finance Limited, which is a wholly-owned subsidiary of the Company.

- Robert C. Nicholson owned 1,250 common shares<sup>(P)</sup> (less than 0.01%)\* and 3,750,000 share options in Philex, 156 common shares<sup>(P)</sup> (less than 0.01%)\* in Philex Petroleum, 10,000,000 share options in MPIC, as well as US\$400,000 of bonds due 2017 issued by FPMH Finance Limited, US\$200,000 of bonds due 2020 issued by FPT Finance Limited and US\$600,000 of bonds due 2019 issued by FPC Finance Limited, all of which are wholly-owned subsidiaries of the Company.
- Tedy Djuhar owned 15,520,335 ordinary shares<sup>(C)</sup> (0.18%)\* in Indofood.
- Anthoni Salim owned 1,329,770 ordinary shares<sup>(P)</sup> (0.02%)\* in Indofood and an indirect interest of 4,396,103,450 Indofood shares (50.07%)\* through the Company's group companies, a direct interest of 2,007,788 shares<sup>(C)</sup> (0.14%)\* in Indofood Agri Resources Ltd. (IndoAgri) through his controlled corporations other than the Company and an indirect interest of 1,018,200,000 IndoAgri shares (70.99%)\* through the Company's group companies and a direct interest of 20,483,364 shares<sup>(C)</sup> (0.13%)\* in PT Salim Ivomas Pratama Tbk (SIMP) through his controlled corporations other than the Company and an indirect interest of 12,448,625,000 SIMP shares (78.71%)\* through the Company's group companies.
- Napoleon L. Nazareno owned 6,648 common shares<sup>(P)</sup> (less than 0.01%)\* in MPIC, 19,927 common shares<sup>(P)</sup> (less than 0.01%)\* in PLDT as well as 110,000 common shares<sup>(P)</sup> (0.01%)\* in Meralco.

(P) = Personal interest, (C) = Corporate interest

\* Approximate percentage of the issued capital of the respective class of shares in the respective associated corporations as at the Latest Practicable Date.

As at the Latest Practicable Date, other than as disclosed in this paragraph 4(i), none of the Directors or chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(ii) Interests of Substantial Shareholders and other persons**

The register of interests in shares and short positions of substantial shareholders maintained under Section 336 of the SFO shows that as at the Latest Practicable Date, the Company had been notified that the following persons were interested in 5% or more of the Company's issued share capital:

- (a) Salerni International Limited (Salerni), which was incorporated in the British Virgin Islands, was interested in 1,940,556,039 ordinary shares<sup>#</sup> of the Company as at the Latest Practicable Date, representing approximately 44.90% of the Company's issued share capital (as enlarged by the Rights Issue), by way of 339,213,082 ordinary shares<sup>#</sup> of the Company and also its 46.80% interest in First Pacific Investments Limited (FPIL-Liberia) and 100% interest in First Pacific Investments (B.V.I.) Limited (FPIL-BVI). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of Salerni and, accordingly, is taken to be interested in the shares owned by Salerni.
- (b) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 889,008,034 ordinary shares<sup>#</sup> as at the Latest Practicable Date, representing approximately 20.57% of the Company's issued share capital (as enlarged by the Rights Issue). FPIL-Liberia is owned by Anthoni Salim (Chairman of the Company) and Tedy Djuhar (a Non-executive Director of the Company), the estate of the late Ibrahim Risjad (a former Non-executive Director of the Company) and Sutanto Djuhar (a former Non-executive Director of the Company). Anthoni Salim, Chairman of the Company, is taken to be interested in the shares owned by FPIL-Liberia.
- (c) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 712,334,923 ordinary shares<sup>#</sup> as at the Latest Practicable Date, representing approximately 16.48% of the Company's issued share capital (as enlarged by the Rights Issue). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares owned by FPIL-BVI.
- (d) Lazard Asset Management LLC (Lazard), a United States incorporated company, notified the Company that it held 308,111,799 ordinary shares of the Company as at 6 March 2013, representing approximately 8.04% of the Company's issued share capital at that date. As at the Latest Practicable Date, the Company has not received any other notification from Lazard of any change to such holding.
- (e) HSBC Holdings plc, incorporated as a public limited company in England, notified the Company that it and its controlled corporations were interested in a long position in 260,157,400 ordinary shares of the Company as at 27 May 2013, representing approximately 5.89% of the Company's issued share capital (as enlarged by the Rights Issue), which includes the maximum number of Rights Shares underwritten by HSBC pursuant to the Underwriting Agreement. As at the Latest Practicable Date, the Company has not received any other notification from HSBC Holdings plc of any change to such interests.

<sup>#</sup> *The interests in Shares include interests in unissued Rights Shares which the Controlling Shareholder and his associates have undertaken to subscribe, or procure subscription, for pursuant to the Controlling Shareholder's Undertaking.*

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of equity derivatives and debentures of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

| Names of members of the Group                      | Name of shareholder                            | Approximate %<br>of issued share<br>capital held |
|--|--|--|
| FPM Power Holdings Limited                         | MPG Asia Limited                               | 40.0%  |
| PacificLight Power Pte. Ltd.                       | Petronas Power Sdn Bhd                         | 30.0%  |
| First Pacific Communications Holdings B.V.         | Excella Trading Limited                        | 12.5%  |
| DMCI-MPIC Water Company, Inc.                      | DMCI Holdings, Inc.                            | 27.2%  |
| DMCI-MPIC Water Company, Inc.                      | MCNK JV Corporation                            | 21.5%  |
| First Pacific Realty Partners Corporation          | PCI Limited                                    | 18.9%  |
| Lucena Commercial Land Corporation                 | Landco Pacific Corporation                     | 35.0%  |
| Manila North Tollways Corporation                  | Egis Projects, S.A.                            | 13.9%  |
| Manila North Tollways Corporation                  | Banco de Oro Unibank                           | 12.4%  |
| Metro Tagaytay Land Co. Inc.                       | Landco Pacific Corporation                     | 33.6%  |
| MPIC JGS Airport Holdings Inc.                     | JG Summit Holdings Inc.                        | 41.3%  |
| Riverside Medical Center, Inc.                     | Torre Hermanos Agro. Ind                       | 27.0%  |
| PT Argha Giri Perkasa                              | PT Gapura Usahatama                            | 20.0%  |
| PT Indofood Fritolay Makmur                        | Seven-Up Netherland B.V.                       | 49.0%  |
| Indofood Singapore Holdings Pte. Ltd.              | PT Mandiri Investama Sejati                    | 12.9%  |
| PT Indolakto                                       | PT Perusahaan Dagang dan Industries Marison NV | 29.5%  |
| PT Laju Perdana Indah                              | PT Bangun Sriwijaya Sentosa                    | 11.7%  |
| PT Mega Citra Perdana                              | PT Purwa Wana Lestari                          | 19.8%  |
| PT Mentari Subur Abadi                             | PT Giat Sembada Sentosa                        | 19.9%  |
| PT Multi Agro Kencana Prima                        | Koperasi Perkebunan Karet Panca Usaha Mitra    | 20.0%  |
| PT Putridaya Usahatama                             | Pandi Kusuma                                   | 22.5%  |
| PT Putridaya Usahatama                             | Siti Sundari Rita W                            | 12.5%  |
| PT Surya Rengo Containers                          | Rengo Company Ltd.                             | 40.0%  |
| PT Swadaya Bhakti Negaramas                        | PT Giat Sembada Sentosa                        | 19.9%  |
| PT Tani Andalas Sejahtera                          | Agus Suherman                                  | 10.0%  |
| IndoInternational Green Energy Resources Pte. Ltd. | Indogreen Energy Resources Pte. Ltd.           | 40.0%  |
| PT Indofood Asahi Sukses Beverage                  | Asahi Group Holdings Southeast Asia Pte. Ltd.  | 49.0%  |

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person, other than a Director or a chief executive of the Company, who had an interest or short position in the Shares or underlying Shares of equity derivatives and debentures of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital (including any option in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**(iii) Interests in Share Options**

|                                | Share<br>options<br>held at<br>Latest<br>Practicable Date | Share<br>option<br>exercise<br>price per<br>share <sup>(i)</sup><br>(HK\$) | Grant date       | Fully vested by | Exercisable from | Exercisable until |
|--------------------------------|---|--|------------------|-----------------|------------------|-------------------|
| <b>Executive Directors</b>     |   |  |                  |                 |                  |                   |
| Manuel V. Pangilinan           | 19,098,934  | 5.0569   | 5 September 2007 | September 2012  | September 2008   | September 2017    |
|                                | 10,000,000  | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
| Edward A. Tortorici            | 5,000,000   | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
|                                | 10,121,000  | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| Robert C. Nicholson            | 16,337,388  | 5.0569   | 5 September 2007 | September 2012  | September 2008   | September 2017    |
|                                | 6,500,000   | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
|                                | 7,121,000   | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| <b>Non-Executive Directors</b> |   |  |                  |                 |                  |                   |
| Benny S. Santoso               | 1,042,719   | 5.0569   | 5 September 2007 | September 2008  | September 2008   | September 2017    |
|                                | 700,000   | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
|                                | 1,073,000   | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| Napoleon L. Nazareno           | 3,330,000   | 5.0569   | 11 December 2009 | December 2010   | December 2010    | December 2019     |
|                                | 1,073,000   | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |

|  | Share<br>options<br>held at<br>Latest<br>Practicable Date | Share<br>option<br>exercise<br>price per<br>share <sup>(i)</sup><br>(HK\$) | Grant date       | Fully vested by | Exercisable from | Exercisable until |
|--|---|--|------------------|-----------------|------------------|-------------------|
| <b>Independent Non-Executive Directors</b>     |   |  |                  |                 |                  |                   |
| Graham L. Pickles                              | 1,400,000   | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
|  | 1,073,000   | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| Prof. Edward K.Y. Chen,<br><i>GBS, CBE, JP</i> | 412,394   | 1.6698   | 1 June 2004      | June 2005       | June 2005        | May 2014          |
|  | 3,330,719   | 5.0569   | 5 September 2007 | September 2008  | September 2008   | September 2017    |
|  | 1,073,000   | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| Margaret Leung Ko May<br><i>Yee, SBS, JP</i>   | 700,000   | 10.4600  | 22 March 2013    | March 2018      | March 2015       | March 2023        |
|  | 1,073,000   | 10.5040  | 4 June 2013      | March 2018      | March 2015       | June 2023         |
| Philip Fan Yan Hok                             | 700,000   | 10.4600  | 22 March 2013    | March 2018      | March 2015       | March 2023        |
|  | 1,073,000   | 10.5040  | 4 June 2013      | March 2018      | March 2015       | June 2023         |
| <b>Senior Executives</b>                       |   |  |                  |                 |                  |                   |
|  | 2,351,163   | 1.6698   | 1 June 2004      | December 2008   | June 2005        | May 2014          |
|  | 743,113   | 3.1072   | 7 June 2006      | December 2010   | June 2007        | June 2016         |
|  | 38,788,668  | 5.0569   | 5 September 2007 | September 2012  | September 2008   | September 2017    |
|  | 4,540,000   | 5.3100   | 18 June 2010     | June 2015       | June 2012        | June 2020         |
|  | 15,300,000  | 10.4600  | 22 March 2013    | September 2017  | September 2013   | March 2023        |
|  | 31,220,000  | 10.5040  | 4 June 2013      | September 2017  | September 2013   | June 2023         |
| <b>Total</b>                                   | <b><u>185,175,098</u></b> <sup>(ii)</sup>                 |  |                  |                 |                  |                   |

(i) Adjusted for the effect of the Company's rights issue completed in December 2009 for the prices prior to the trading of the Company's shares on an ex-rights basis on 29 October 2009.

(ii) The number of outstanding options vested and exercisable as at the Latest Practicable Date was 86,735,098.

**5. DIRECTORS' INTERESTS****(a) Service Contracts**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding any contract expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

**(b) Assets of the Group**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have, since 31 December 2012 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to, the Company or any member of the Group, or were proposed to be acquired or disposed of by, or leased to, the Company or any member of the Group.

**(c) Contracts of the Group**

As at the Latest Practicable Date, other than the continuing connected transactions between the Controlling Shareholder and/or his associates with members of the Group which have previously been announced in accordance with the Listing Rules, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which is significant in relation to the business of the Group.

**6. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates have a controlling interest in a business which competes either directly or indirectly with the business of the Company.

**7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

**8. MATERIAL CONTRACTS**

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the Underwriting Agreement comprising the underwriting agreement dated 27 May 2013 entered into between the Company and the Underwriter, as amended by an amendment agreement dated 13 June 2013 entered into between the same parties;



- (b) a sale and purchase agreement dated 4 March 2013 entered into between FPM Power (a 60%-owned subsidiary of the Company) and GMR Infrastructure Limited and GMR Infrastructure (Singapore) Pte. Limited (collectively the “Sellers”), pursuant to which FPM Power acquired from the Sellers, 70% equity interest in PLP and shareholders loans due from GMRE and/or its subsidiary to the Sellers. The consideration for the acquisition was approximately Singapore dollars \$600 million (approximately US\$488 million or HK\$3,805 million), subject to adjustments to amount of the Sellers’ equity contributions to GMRE as at completion of the sale and purchase agreement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, the Sellers and their ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (c) a deed of release and accession dated 28 March 2013 in respect of a sponsor support agreement dated 12 July 2011 (as amended and restated pursuant to an amendment and restatement agreement dated 23 December 2011) entered into between GMR Infrastructure Limited as exiting sponsor and exiting shareholder, GMR Infrastructure (Singapore) Pte. Limited as exiting shareholder, the Company and Manila Electric Company as new sponsors, FPM Power (Singapore) Limited as new shareholder, GMRE and GMR Supply (Singapore) Pte. Ltd. as borrowers, Petronas International Corporation Ltd as original sponsor, Petronas Power Sdn. Bhd. as original shareholder, Standard Chartered Bank (Hong Kong) Limited as intercreditor agent and Standard Chartered Bank, Singapore Branch as security agent. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of Petronas International Corporation Ltd, Petronas Power Sdn. Bhd., Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank, Singapore Branch and their ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (d) an amendment and restatement agreement dated 28 March 2013 in respect of a sponsor support agreement dated 12 July 2011 (as amended and restated pursuant to an amendment and restatement agreement dated 23 December 2011) entered into between the Company and Manila Electric Company as new sponsors, FPM Power (Singapore) Limited as new shareholder, GMRE and GMR Supply (Singapore) Pte. Ltd. as borrowers, Petronas International Corporation Ltd as original sponsor, Petronas Power Sdn. Bhd. as original shareholder, Standard Chartered Bank (Hong Kong) Limited as intercreditor agent and Standard Chartered Bank, Singapore Branch as security agent. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of Petronas International Corporation Ltd, Petronas Power Sdn. Bhd., Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank, Singapore Branch and their ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (e) a placement agreement and a top-up subscription agreement both dated 22 January 2013 entered into between MPHI, MPIC, and UBS AG and CLSA Limited (collectively acting as placement agents), relating to the sale of shares in MPIC. The offering price was Php 4.6 (approximately US\$0.113 or HK\$0.88) per offer share. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of UBS AG and CLSA Limited and their ultimate beneficial owners are third parties independent of the Company and its connected persons;

- (f) a notice of call dated 14 November 2011 from Metro Pacific Resources, Inc. (“MPRI”) (a Philippine affiliate of the Company) to JG Summit Holdings, Inc. (“JG Summit”) in relation to the exercise of a call option to purchase 5,811,504 shares in PLDT. The aggregate purchase price payable by MPRI on the exercise of the call option in full is approximately Php 14.5 billion (approximately US\$334.7 million or HK\$2.6 billion). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, JG Summit and its ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (g) a deed of assignment dated 14 November 2011 entered into between JG Summit and MPRI in relation to JG Summit’s sale to MPRI all of JG Summit’s rights, title and interests in and to 5,811,504 common shares in PLDT. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, JG Summit and its ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (h) a placing agreement dated 8 July 2011 entered into between MPHI, MPIC, and J.P Morgan Securities Ltd. and CLSA Limited (collective acting as placement agents) in relation to the sale of shares in MPIC. The offering price was Php 3.6 (approximately US\$0.084 or HK\$0.65) per offer share. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of J.P Morgan Securities Ltd. and CLSA Limited and their ultimate beneficial owners are third parties independent of the Company and its connected persons;
- (i) a top-up subscription agreement dated 8 July 2011 entered into between MPHI and MPIC, pursuant to which MPHI subscribed for shares in MPIC at the top-up subscription price of Php 3.6 (approximately US\$0.084 or HK\$0.65) per Top-up subscription share. MPHI and MPIC are affiliates of the Company; and
- (j) an additional subscription agreement dated 8 July 2011 entered into between MPHI and MPIC, pursuant to which MPHI subscribed for additional shares in MPIC at the additional subscription price of Php 3.6 (equivalent to approximately US\$0.084 or HK\$0.65) per additional subscription share. MPHI and MPIC are affiliates of the Company.

## 9. MISCELLANEOUS

- (a) The Company Secretary of the Company is Ms. Nancy L.M. Li, MSc (Corporate Governance and Directorship), BA, FCS(PE), FCIS.
- (b) The registered office of the Company is at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda. The Company’s principal office in Hong Kong is at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (c) The principal share registrar and transfer office is Butterfield Fulcrum Group (Bermuda) Limited, 26 Burnaby Street, Hamilton, HM 11, Bermuda.

- (d) The share registrar and transfer office (Hong Kong Branch) is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The Company's auditors are Ernst & Young, Certified Public Accountants, of 22/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.
- (f) The Company's legal advisers in relation to the Rights Issue are (i) as to Hong Kong law, GW & Associates in association with Gibson Dunn & Crutcher LLP of 32nd Floor Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong, (ii) as to Bermuda law, Conyers Dill & Pearman, Room 2901 One Exchange Square, 8 Connaught Place, Central, Hong Kong and (iii) as to US and UK law, Gibson Dunn & Crutcher LLP of 32nd Floor Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong.
- (g) The Company's principal bankers are:

Bank of America NA

Address: 50 Collyer Quay #15-00 OUE Bayfront, Singapore 049321

Malayan Banking Berhad

Address: 18/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

Mizuho Corporate Bank Ltd

Address: 17/F, Two Pacific Place, 88 Queensway, Hong Kong

Standard Chartered Bank (Hong Kong) Limited

Address: Standard Chartered Bank Building, 4A Des Voeux Road Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited

Address: HSBC Main Building, 1 Queen's Road Central, Hong Kong

Bank of the Philippine Islands

Address: BPI Building, Ayala Avenue corner Paseo de Roxas, Makati City, Philippines

China Banking Corporation

Address: 8745 China Bank Building, Paseo de Roxas, corner Villar St., Makati City, Philippines

Metropolitan Bank & Trust Company

Address: MetroBank Plaza, Sen. Gil Puyat Avenue, 1227 Makati City, Philippines

- (h) The Company's authorised representatives (as defined in the Listing Rules) are (A) Mr. Manuel V. Pangilinan and (B) Mr. Edward A. Tortorici, together with Mr. Robert C. Nicholson (alternate to (A)) and Ms. Nancy L.M. Li (alternate to (B)).

## 10. QUALIFICATIONS OF EXPERT

The following are the qualifications of the expert who has given an opinion or advice which is contained in this Prospectus (“**Expert**”):

| <b>Name</b>   | <b>Qualification</b>         |
|---------------|------------------------------|
| Ernst & Young | Certified Public Accountants |

## 11. EXPERT’S INTERESTS IN ASSETS

The Expert has confirmed that as at the Latest Practicable Date it does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The Expert has further confirmed that as at the Latest Practicable Date it does not have any direct or indirect interests in any assets or any securities of the Company or any member of the Group which have since 31 December 2012 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by, or leased to, the Company or any member of the Group, or which are proposed to be acquired or disposed of by, or leased to, the Company or any member of the Group.

## 12. CONSENT OF EXPERT

The Expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and/or references to its name in the form and context in which it appears.

## 13. MATERIAL ADVERSE CHANGE

The Group’s operating businesses have been performing satisfactorily in 2013. However, Shareholders and potential investors should note that the Group’s recurring profit for the first half of 2013 is expected to be significantly less than recurring profit for the corresponding period in 2012. There are several principal reasons for that. First, Indofood’s contribution to the Group’s recurring profit is expected to be less than its contribution for the corresponding period in 2012, mainly due to lower crude palm oil prices and a weakening Indonesian Rupiah. Secondly, in relation to Philex, the suspension of operations at the Padcal mine in August 2012 resulted in only 24 days’ production in the first quarter of 2013, compared to 91 days’ production in the corresponding period in 2012. Padcal mine operations resumed on 8 March 2013, on a temporary basis for four months. The authorisation for temporary resumption of the mine’s operations expires on 7 July 2013. The possible scenario following the expiry of that authorisation for temporary resumption are discussed above under the section headed “Accident at Padcal Mine” in Appendix I to this Prospectus. Thirdly, the Company’s borrowings increased by approximately US\$400 million principally due to the issue, on 28 June 2012, of the US\$400 million 6.0% Guaranteed Bonds due 2019, the proceeds of which were used to fund the strategic acquisition of PLP in March 2013. Interest expense has correspondingly increased to service the additional borrowings. Finally, the implementation of a new phase of the Company’s long term incentive plan for employees and directors of the Group, as announced on 19 March 2013, 22 March 2013 and 4 June 2013, will have an accounting (non cash) impact on recurring profit for the first half of 2013.

Other than as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2012, being the date of the latest published audited financial statements of the Company.

**14. EXPENSES**

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal and accounting charges are estimated to be approximately HK\$53.2 million and will be payable by the Company.

**15. GENERAL**

In case of discrepancy or differences in interpretation, the English text of this Prospectus prevails over the Chinese text.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, on any weekday, except public holidays, for 14 days from the date of this Prospectus:

- (a) this Prospectus;
- (b) the Memorandum of Association and Bye-laws of the Company;
- (c) the annual reports of the Company for the two years ended 31 December 2011 and 31 December 2012;
- (d) the letter from Ernst & Young on the unaudited pro forma financial information of the Group dated 17 June 2013, the text of which is set out in Appendix II to this Prospectus;
- (e) the written consent from the Expert referred to in the section headed “Consent of Expert” in this Appendix III; and
- (f) the material contracts referred to in the section headed “Material Contracts” in this Appendix III.

**17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Consent of Expert” in this Appendix III have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies Ordinance.

A copy of each of the Prospectus Documents will be delivered to the Registrar of Companies in Bermuda on or as soon as reasonably practicable after the publication of this Prospectus as required by the Companies Act 1981 of Bermuda.

**Important Note to QIBs:**

Please return a duly signed investor representation letter to First Pacific Company Limited (the “**Company**”), by fax or email to companysecretary@firstpacific.com so as to reach the Company on or before 1:00 p.m. on Monday, 24 June 2013. If you are a Beneficial Owner, please also forward a copy of the signed investor representation letter to your Intermediary or Registered Owner (which references, for the avoidance of doubt, exclude and are not intended to refer to HKSCC Nominees Limited). You should note that if you do not return a duly signed investor representation letter in a timely manner, you may not be eligible to participate in the Rights Issue and will not be allowed to receive the Prospectus Documents, including the PAL and the EAF.

Dated \_\_\_\_\_ June 2013

First Pacific Company Limited  
24th Floor, Two Exchange Square  
8 Connaught Place, Central  
Hong Kong  
Fax: +852 2810 4313  
Email: companysecretary@firstpacific.com  
Attention: Ms. Nancy Li, Company Secretary

Dear Ms. Li:

This letter is delivered in connection with our exercise of subscription rights to subscribe for shares (the “**Shares**”) by way of a private placement in the capital of the Company in connection with the rights issue (the “**Rights Issue**”) of 480,194,901 rights Shares (“**Rights Shares**”), including the rights in nil-paid form to subscribe for Rights Shares (“**Nil-Paid Rights**” and, together with the Rights Shares, the “**Securities**”) on the basis of 1 Rights Share for every 8 existing Shares held (or held by us through CCASS), as at 5:00 p.m. on the Record Date for the Rights Issue, being 13 June 2013. We hereby represent, warrant and agree that at all times before the settlement of the Rights Issue:

1. We are a “qualified institutional buyer” (“**QIB**”) (as defined in Rule 144A under the US Securities Act of 1933, as amended (the “**Securities Act**”)) with the full power and authority to make the acknowledgements, representations and agreements contained herein, and, if we are acquiring the Securities as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, we have investment discretion with respect to each such account, and we have the full power and authority to make the acknowledgements, representations and agreements contained herein on behalf of each owner of such account and, in such event, the references to us in such acknowledgements, representations and agreements contained herein shall be read to include each owner of such account.
2. We are an existing shareholder of the Company and are acquiring the Securities for our own account, or for the account of one or more QIB(s) as to which we have full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of the US securities laws) of the Securities.

3. We understand (and each account for which we are acting has been advised and understands) that no action has been or will be taken to permit an offering of the Securities in any jurisdiction (other than the registration of the Prospectus with the Registrar of Companies of Hong Kong and the Registrar of Companies in Bermuda); and we will not offer, resell, pledge or otherwise transfer any of the Securities which we may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

Without limiting the generality of the foregoing, we understand (and each account for which we are acting has been advised and understands) that the Securities have not been and will not be registered under the US Securities Act, and are being offered and sold to us (or such beneficial owner) in a transaction not involving a public offering, or in reliance on an exemption from the registration requirements of the US Securities Act, which may include Rule 144A.

4. We understand and agree (and each account for which we are acting has been advised and understands) that the Securities are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and may not be deposited into any unrestricted depositary receipt facility, including but not limited to the existing American Depositary Receipts (“**ADRs**”) facility maintained by Deutsche Bank Trust Company Americas (the “**Depositary**”), as depositary for the Company’s ADRs, unless at the time of deposit such Securities are no longer “restricted securities” within the meaning of Rule 144(a)(3) of the US Securities Act.
5. We acknowledge that, regardless of whether our current holding is in the form of ordinary shares or American Depositary Shares (“**ADSs**”), to the extent we participate in the Rights Issue (conditional upon meeting certain requirements, including inter alia our completing, signing and delivery of this letter as instructed) and acquire any Rights Shares, we will receive such Rights Shares in the form of ordinary shares and not in the form of ADSs. We further acknowledge that until one year after the latest date on which the Rights Shares are delivered in the Rights Issue (which is currently expected to be 11 July 2013) or until the Rights Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, no depositary will accept deposits of the Rights Shares in any ADR facility, or permit pre-releases of the Company’s ADSs from any ADR facility, unless we (or a broker on our behalf) certify, among other things, that the shares to be deposited were not subscribed or purchased pursuant to the Rights Issue, and that we have not borrowed shares to be deposited with the intention of replacing them with Rights Shares subscribed or purchased pursuant to the Rights Issue.

6. We acknowledge that the Shares are listed on The Stock Exchange of Hong Kong Limited (the “**HKSE**”) and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the HKSE (the “**Exchange Information**”) and that we are able to obtain or access such information without undue difficulty. We understand that the Exchange Information has been prepared in accordance with the HKSE format, style and content, which differs from US format, style and content. We understand that the financial statements incorporated by reference in the Prospectus (as defined below) were not prepared in connection with an offering registered with the US Securities and Exchange Commission (the “**SEC**”) under the US Securities Act. Furthermore, we understand that the work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it has been carried out in accordance with those standards. None of the Company, the underwriter who may be associated with the Rights Issue (the “**Underwriter**”) nor any of their respective affiliates has made any recommendation, promise, representation or warranty to us, express or implied, with respect to the Company, the Rights Issue or the Securities or the accuracy, completeness or adequacy of the Exchange Information.
7. We are not acquiring or subscribing for the Securities as a result of any general solicitation or general advertising, including advertisements, articles, notices, or other communications published in any newspaper, magazine or similar media or broadcast over radio or television; or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
8. Provided that we have returned and duly signed this investor representation letter in a timely manner, we understand that we will receive a copy of the the prospectus dated 17 June 2013 relating to the Securities (the “**Prospectus**”), and will have access to the financial and other information regarding the Company and the Securities as we will have requested in connection with our investment decision to subscribe for and purchase the Securities. We agree that we will hold the Prospectus in confidence, it being understood that the Prospectus will be received by us solely for our use and that we will not duplicate, distribute, forward, transfer or otherwise transmit the Prospectus, any provisional allotment letter or excess application form relating to the Rights Issue, or any other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the US, and agree that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by us. We have not relied on financial or other information supplied to us by any person other than information contained in the Prospectus or information provided by the Company. We have made our own assessment concerning the relevant tax, legal and other economic considerations relevant to our investment in the Securities including whether the Company and any of its direct or indirect subsidiaries is a “passive foreign investment company” (a “**PFIC**”) within the meaning of section 1297 of the US Internal Revenue Code of 1986, as amended, and the consequences of the acquisition, ownership and disposition of a direct or indirect interest in a PFIC. We understand that if the Company were determined to be a PFIC, there would be adverse tax consequences for a US holder of the Securities.



9. We acknowledge that (a) any information that we have received or will receive relating to the Rights Issue and the Securities, including the Prospectus and the Exchange Information (collectively, the “**Information**”), has been prepared solely by the Company and (b) that none of the Underwriter, or its affiliates, has verified or will verify such information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Underwriter or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by them or their affiliates. Neither the Underwriter nor any of its affiliates are under any obligation to provide us with any amendment, update or replacement information with respect to the Information.
10. We understand that, to the extent the Rights Shares are delivered in certificated form, the certificate delivered in respect of the Rights Shares will bear a legend substantially to the following effect for so long as the Rights Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act:

**“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “US SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE US, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT (“RULE 144A”) OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE US. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THESE SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY’S SHARES, ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK FOR SO LONG AS THESE SHARES REMAIN “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144A(a)(3).”**

We further agree that if the Rights Shares are delivered in non-certificated form (including, without limitation, by crediting of stock accounts held in CCASS) that such interests in Shares will be subject to the restrictions on transfer set forth above, and regardless of the form in which such Rights Shares are delivered, we represent, warrant and agree to comply with such restrictions on transfer of such Rights Shares.

11. Prior to deciding to subscribe for the Securities, we (a) will have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent we have deemed necessary, (b) will have possessed all information relating to the Company and the Securities which we believe is necessary for the purpose of making our investment decision, (c) will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the respective financial condition and results of operations of the Company and the subscription for the Securities, and any such questions will have been answered to our satisfaction, (d) will have reviewed all information that we believe is necessary or appropriate in connection with a subscription for the Securities and (e) will have conducted our own due diligence on the Company and the Rights Issue, and will have made our own investment decisions based upon our own judgment, due diligence and advice from such advisers as we have deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Underwriter or its affiliates (including any research reports).
12. We will not hold the Underwriter or any of its affiliates responsible for any misstatements in or omissions in the Information or in any other written or oral information provided by the Company to us. We acknowledge that no written or oral information relating to the Rights Issue and the Securities has been or will be provided by the Underwriter or its affiliates to us.
13. We understand and agree that we may not rely, and we have not relied, on any investigation that the Underwriter or its affiliates or any person acting on its behalf has conducted with respect to the Rights Issue or the Securities, and neither of them nor any affiliate thereof, nor any of their respective affiliates, employees, officers, directors or representatives has made any recommendation, promise, representation or warranty to them, express or implied, with respect to the Company, the Rights Issue or the Securities.
14. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, and we have the financial ability to bear the economic risk of investment in the Securities and to sustain a complete loss in connection therewith. We will not look to the Company or the Underwriter for all or part of any such loss or losses we may suffer. We have no reason to anticipate any change in our circumstances, financial or otherwise, which may cause or require any sale or distribution by us of all or any part of any Securities we may decide to invest in.
15. We agree that in the event that at some future time we wish to reoffer, resell, pledge or otherwise transfer any of the Securities, we will not do so except in accordance with any applicable US federal law and securities laws of any state of the US and we certify that either:
  - (a) we will transfer the Securities in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the US Securities Act, which includes for the avoidance of doubt a bona fide sale on the HKSE that has not been prearranged with any counterparty thereto;
  - (b) we will transfer the Securities in a transaction exempt from the registration requirements of the US Securities Act and, if requested by the Company, provide an opinion of counsel reasonably satisfactory to the Company which states that the transfer is exempt from the registration requirements of the US Securities Act; or

- (c) we will transfer the Securities pursuant to an effective registration statement under the US Securities Act. We understand that the Company has no intent, and is not required, to file any registration statement in respect of the Rights Shares.

We understand and acknowledge that the Underwriter is assisting the Company in respect of the Rights Issue and that the Underwriter is acting solely for the Company and no one else in connection with the Rights Issue and, in particular, is not providing any service to us, making any recommendations to us, advising us regarding the suitability of any transactions we may enter into to subscribe or purchase any Securities or providing advice to us in relation to the Company, the Rights Issue or the Securities. Further, to the extent permitted by law, we waive any and all claims, actions, liabilities, damages or demands we may have against the Underwriter arising from its engagement with the Company.

We have full power and authority to execute and deliver this letter, which constitutes our valid and legally binding obligation and is enforceable against us in accordance with its terms.

- 16. We acknowledge that the Company, the Underwriter and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that the foregoing acknowledgements, representations, warranties and agreements will be valid as if repeated at all times up to the settlement of the Rights Issue.

We understand that the Company, the Underwriter and its affiliates are relying on this letter in order to comply with US and other securities laws. We irrevocably authorise any depository, which includes any nominee, custodian or other financial intermediary through which we hold Shares, to provide the Company and the Underwriter with a copy of this letter and such information regarding our identity and holding of Shares (including pertinent account information and details of our identity and contact information) as is necessary or appropriate to facilitate our acquisition or exercise of Nil-Paid Rights or purchase of Rights Shares. We also irrevocably authorise the Company, the Underwriter and its affiliates to produce this letter or a copy hereof to any interested party in any administrative, arbitration or legal proceeding or official inquiry with respect to the matters set forth herein.

Very truly yours,

By Institution:

\_\_\_\_\_

Signature

\_\_\_\_\_

Name:  
Title:

Institution's Address:

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Daytime Telephone Number:

\_\_\_\_\_

If signing on behalf of another person,  
please indicate the capacity in which signed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name, address and contact details of  
the financial intermediary or nominee  
in Hong Kong through which  
the Shares are held:

\_\_\_\_\_  
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