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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

**(Stock code: 00142)**

### **ANNOUNCEMENT**

#### **CONTINUING CONNECTED TRANSACTIONS**

#### **REVISION OF THE ANNUAL CAP RELATING TO THE FRAMEWORK AGREEMENT FOR THE YEAR 2009**

Reference is made to the Company's announcement dated 25 March 2009 in relation to, inter alia, the entering into of a framework agreement between Consunji and Maynilad.

Since the date of the Framework Agreement, the Company has been informed by Maynilad that an additional contract for the provision of construction services by Consunji to Maynilad is required to be entered into, which, when aggregated with the value of all the other contracts contemplated by the Framework Agreement, would result in the existing annual cap for the year 2009 of US\$22.9 million (approximately HK\$178.6 million) relating to the Framework Agreement being exceeded. Accordingly, the Company proposes to revise the annual cap relating to the Framework Agreement for the year 2009 from US\$22.9 million (approximately HK\$178.6 million) to US\$35.2 million (approximately HK\$274.6 million), reflecting the value of the additional contract. The annual caps relating to the Framework Agreement for the years 2010 and 2011 shall remain unchanged and there are no current plans to revise them.

Pursuant to Rule 14A.36(1) of the Listing Rules, where a previously announced annual cap is exceeded or proposed to be exceeded or a relevant agreement is renewed, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements (as appropriate) as set out in Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

The applicable percentage ratios in respect of the annual caps for the Framework Agreement for 2009, 2010 and 2011 (taking into account the Revised 2009 Cap), when aggregated with the annual caps in respect of the Lease Agreement for 2009, 2010 and 2011 (as contemplated by the March Announcement) remain less than 2.5% for each of those years. Accordingly, the Framework Agreement and the Lease Agreement and their related annual caps for 2009, 2010 and 2011 are only subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

Reference is made to the announcement of First Pacific Company Limited (the "Company") dated 25 March 2009 in relation to, inter alia, the entering into of a framework agreement between D.M. Consunji, Inc. ("Consunji") and Maynilad Water Services Inc. ("Maynilad") (the "March Announcement"). Unless otherwise defined or the context otherwise requires, capitalised terms referred to in this announcement shall have the meanings given to them in the March Announcement.

**REVISION OF THE ANNUAL CAP RELATING TO THE FRAMEWORK AGREEMENT FOR THE YEAR 2009**

Since the date of the Framework Agreement, the Company has been informed by Maynilad that an additional contract for the provision of construction services by Consunji to Maynilad is required to be entered into, which, when aggregated with the value of all the other contracts contemplated by the Framework Agreement, would result in the existing annual cap for the year 2009 of US\$22.9 million (approximately HK\$178.6 million) relating to the Framework Agreement being exceeded. Accordingly, the Company proposes to revise the annual cap relating to the Framework Agreement for the year 2009 from US\$22.9 million (approximately HK\$178.6 million) to US\$35.2 million (approximately HK\$274.6 million) (the "Revised 2009 Cap"), reflecting the value of the additional contract. The annual caps relating to the Framework Agreement for the years 2010 and 2011 shall remain unchanged and there are no current plans to revise them.

The annual caps relating to the Framework Agreement for each of the years 2009, 2010 and 2011 (including the revised annual cap for 2009) are set out in the table below for shareholders' ease of reference:

| <b>Revised 2009 Cap<br/>(From 23 March 2009 to<br/>31 December 2009)<br/>(US\$ million)</b> | <b>Annual cap for 2010<br/>(US\$ million)</b> | <b>Annual cap for 2011<br/>(US\$ million)</b> |
|---|---|---|
| 35.2  | 24.9  | 24.9  |

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.36(1) of the Listing Rules, where a previously announced annual cap is exceeded or proposed to be exceeded or a relevant agreement is renewed, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements (as appropriate) as set out in Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

The applicable percentage ratios in respect of the annual caps for the Framework Agreement for 2009, 2010 and 2011 (taking into account the Revised 2009 Cap), when aggregated with the annual caps in respect of the Lease Agreement for 2009, 2010 and 2011 (as contemplated by the March Announcement) remain less than 2.5% for each of those years. Accordingly, the Framework Agreement and the Lease Agreement and their related annual caps for 2009, 2010 and 2011 are only subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

## **DESCRIPTION OF THE CONNECTED RELATIONSHIP**

The First Pacific group has an approximately 55% (on a fully diluted basis) interest in DMCI-MPIC Water Co. Inc. ("DMWC"), the holding company of Maynilad. By virtue of Rule 14A.11 of the Listing Rules, the 45% shareholder of DMWC, DMCI Holdings Inc. ("DMCI"), is a connected person of the Company. Consunji is a subsidiary of DMCI, hence, also a connected person of the Company. Accordingly, the entering into of the Framework Agreement is a continuing connected transaction for the Company under the Listing Rules.

## **DIRECTORS' VIEWS**

The Directors consider the revision to the annual cap relating to the Framework Agreement for the year 2009 to be fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

The Company is a Hong Kong-based investment and management company with operations located in Asia. The Company's principal business interests relate to Telecommunications, Consumer Food Products, Infrastructure and Natural Resources.

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

Consunji is a subsidiary of DMCI.

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

Shareholders are referred to the March Announcement for further details of the Framework Agreement, including the key terms of the Framework Agreement and the reasons for, and Directors' views in respect of the entering into of, the Framework Agreement.

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

Hong Kong, 20 May 2009

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

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

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

Sir David W.C. Tang\*, *KBE*

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles\*

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

\* *Independent Non-executive Directors*