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FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

ANNOUNCEMENT

CONNECTED TRANSACTION

DISPOSAL OF INTEREST IN LANDCO PACIFIC CORPORATION BY METRO PACIFIC INVESTMENTS CORPORATION

Reference is made to the Company's announcement dated 11 September 2008 relating to the provision of a shareholder's loan by MPIC to Landco and the grant of call options in relation to the shares in Landco. Reference is also made to the overseas regulatory announcement of the Company dated 19 June 2009.

Landco Agreement

The Company announces that MPIC entered into a sale and purchase agreement on 19 June 2009 with ABHC, AXB and Landco. Pursuant to the Landco Agreement, ABHC will acquire from MPIC 1,330,247 fully paid common shares of Landco, comprising approximately 17% of the total issued and outstanding capital of Landco.

The consideration for the Sale Shares is Php203,279,377 (approximately US\$4,199,987 and approximately HK\$32,759,900) which will be satisfied by way of a promissory note issued by ABHC in favour of MPIC. The Share Purchase Price was determined based on the valuation of Landco carried out by First Metro Investment Corporation as of 24 October 2008; taking into account the 2008 full year results of Landco.

The ABHC Promissory Note shall be issued with a face value equal to the Share Purchase Price and matures on or around 19 August 2009. ABHC also agrees to create for the benefit of MPIC a first ranking charge over the Sale Shares in accordance with a security agreement to be executed by ABHC in favour of MPIC.

In full and complete settlement of the ABHC Promissory Note, ABHC shall procure the delivery by Landco to MPIC of certain assets specified in the Landco Agreement, or the proceeds of sale of those assets. The Landco Agreement provides that completion of the delivery of assets sufficient to fully settle the ABHC Promissory Note shall be no later than the Maturity Date, subject to extension by mutual agreement of ABHC and MPIC.

Pursuant to the arrangements described in the September Announcement, Landco owes a shareholder's loan to MPIC, represented by a promissory note valued at Php537,236,111 (approximately US\$11,099,920 and approximately HK\$86,579,373). That shareholder's loan is to be repaid to MPIC by Landco and the Landco Agreement contains an assurance from ABHC to that effect. In partial settlement of the MPIC Loan, Landco has agreed to convey, and ABHC shall procure the conveyance of, in favour of MPIC, certain assets specified in the Landco Agreement which have not been otherwise transferred or conveyed to MPIC in payment of the ABHC Promissory Note, or the proceeds arising from the sale of those assets.

The Landco Agreement provides that the conveyance of the Remaining Landco Assets shall be completed no later than 19 June 2011 and that any balance of the MPIC Loan then remaining outstanding will be due and payable on demand to MPIC.

The salient terms of the Landco Agreement are summarised in this announcement below.

Directors' views

The directors' of the Company consider that the Landco Agreement is on normal commercial terms and has been entered into on an arm's length basis. The directors of the Company (including the independent non-executive directors) are of the view that the terms of the Landco Agreement are fair and reasonable and in the interest of the shareholders of the Company as a whole.

Connected Relationship

AXB is a director of MPIC and Landco and holds more than 30% interest in ABHC. ABHC and AXB also together own 49% interest in Landco. As such, the entering into of the Landco Agreement between MPIC, ABHC, AXB and Landco is a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules.

Listing Rules Implications

Each of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Landco Agreement is less than 2.5%. Pursuant to Rule 14A.66(2), the Landco Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the requirement for approval by independent shareholders of the Company.

INTRODUCTION

Reference is made to the announcement of First Pacific Company Limited (the “Company” or “First Pacific”) dated 11 September 2008 relating to the provision of a shareholder’s loan by Metro Pacific Investments Corporation (“MPIC”) to Landco Pacific Corporation (“Landco”) and the grant of call options in relation to the shares in Landco (the “September Announcement”). Reference is also made to the overseas regulatory announcement of the Company dated 19 June 2009 (the “June ORA”). Unless otherwise defined in this announcement or the context otherwise requires, capitalised terms used in this announcement shall have the meanings given to them in the September Announcement and the June ORA.

The Company announces that MPIC entered into a sale and purchase agreement (the “Landco Agreement”) on 19 June 2009 with AB Holdings Corporation (“ABHC”), Alfred Xerez-Burgos, Jr. (“AXB”) and Landco. Pursuant to the Landco Agreement, ABHC will acquire from MPIC 1,330,247 fully paid common shares of Landco, comprising approximately 17% of the total issued and outstanding capital of Landco (the “Sale Shares”).

The salient terms of the Landco Agreement are summarised below.

THE LANDCO AGREEMENT

Date: 19 June 2009

Parties: (1) MPIC
(2) ABHC
(3) AXB
(4) Landco

Summary: MPIC is the holder of 51% and ABHC and AXB together are the holders of 49% of the total issued share capital of Landco as at the date of this announcement. Pursuant to the Landco Agreement, ABHC will acquire the Sale Shares from MPIC.

Upon signing of the Landco Agreement, MPIC’s interest in Landco will decrease from 51% to 34%. Landco will therefore cease to be a subsidiary of MPIC.

Consideration: The consideration for the Sale Shares is Php203,279,377 (approximately US\$4,199,987 and approximately HK\$32,759,900) (“Share Purchase Price”) which will be satisfied by way of a promissory note issued by ABHC in favour of MPIC (“ABHC Promissory Note”).

The Share Purchase Price was determined based on the valuation of Landco carried out by First Metro Investment Corporation as of 24 October 2008; taking into account the 2008 full year results of Landco.

The ABHC Promissory Note shall be issued with a face value equal to the Share Purchase Price and matures on or around 19 August 2009 (the “Maturity Date”). ABHC also agrees to create for the benefit of MPIC a first ranking charge over the Sale Shares in accordance with a security agreement to be executed by ABHC in favour of MPIC.

In full and complete settlement of the ABHC Promissory Note, ABHC shall procure the delivery by Landco to MPIC of:

- (i) certain assets (or proceeds arising from the sale thereof, if such asset is subject to an existing right of first refusal) owned by Landco and/or its subsidiaries specified in the Landco Agreement, the value of which has been agreed upon by each of MPIC and ABHC (the “Pool 1 Landco Assets”); and
- (ii) proceeds arising from the sale of certain assets owned by Landco and/or its subsidiaries specified in the Landco Agreement, the value of which has not been agreed to by ABHC (the “Pool 2 Landco Assets”).

In respect of the Pool 2 Landco Assets, such Landco Assets will be retained by Landco for disposition to third parties. Where the retained Pool 2 Landco Assets are sold for a price less than that indicated in the Landco Agreement, ABHC shall procure that Landco will set aside additional assets to top up the difference. On the other hand, if the retained Pool 2 Landco Assets are sold for a price that is greater than that indicated in the Landco Agreement, the amounts in excess of such indicated price shall be applied to further settle any amount outstanding under the ABHC Promissory Note (or if the ABHC Promissory Note has been fully repaid, any such excess amounts shall be applied to settle any

amount outstanding in respect of the MPIC Loan, as described below). Moreover, where these assets remain unsold as at 19 June 2011, MPIC has the right and option to identify, and to require ABHC to procure the segregation and setting aside of, other assets which are acceptable to MPIC, in substitution for the Pool 2 Landco Assets that have not been disposed of.

The Landco Agreement provides that completion of the delivery of the Pool 1 Landco Assets and Pool 2 Landco Assets sufficient to fully settle the ABHC Promissory Note shall be no later than the Maturity Date. The Landco Agreement contemplates the possibility of an extension of the Maturity Date in order to accommodate the delay in the sale of the Pool 1 Landco Assets subject to rights of first refusal and to accommodate procedures relating to the Pool 2 Landco Assets.

Assets to be utilised by ABHC and Landco to settle the ABHC Promissory Note include shares in two Landco subsidiaries which own shopping malls, model houses, shares in a club, and lots in Landco projects, all of which are identified in the Landco Agreement.

Repayment of the
MPIC Loan:

Pursuant to the arrangements described in the September Announcement, Landco owes a shareholder's loan ("MPIC Loan") to MPIC, represented by a promissory note valued at Php537,236,111 (approximately US\$11,099,920 and approximately HK\$86,579,373); which consists of the principal amount of Php500,000,000 (approximately US\$10,330,579 and HK\$80,578,512) and interest accrued thereon up to the date of the Landco Agreement of Php37,236,111 (approximately US\$769,341 and approximately HK\$6,000,861). That shareholder's loan is to be repaid to MPIC by Landco and the Landco Agreement contains an assurance from ABHC to that effect. The MPIC Loan matures on a monthly basis, but can be "rolled over" from month to month; and has been "rolled over" on a monthly basis since the date on which it was advanced.

In partial settlement of the MPIC Loan, Landco has agreed to convey, and ABHC has agreed to procure the conveyance of, in favour of MPIC, the Pool 1 Landco Assets and the net proceeds from the sale of the Pool 2 Assets which have not otherwise been transferred or conveyed to MPIC in payment of the ABHC Promissory Note (the "Remaining Landco Assets").

The Landco Agreement provides that the conveyance of the Remaining Landco Assets shall be completed no later than 19 June 2011 and that any balance of the MPIC Loan then remaining outstanding will be due and payable on demand to MPIC.

VIEWS OF THE DIRECTORS

The directors of the Company consider that the Landco Agreement is on normal commercial terms and has been entered into on an arm's length basis. The directors of the Company (including the independent non-executive directors) are of the view that the terms of the Landco Agreement are fair and reasonable and in the interest of the shareholders of the Company as a whole.

REASONS FOR THE ENTERING INTO THE LANDCO AGREEMENT

By the disposal of 17% interest in Landco, MPIC intends to streamline its business to focus on its core infrastructure businesses, such as water, toll road and hospital.

The First Pacific group does not expect to record any significant gain or loss in respect of the disposal of its interest in Landco. Any such gain or loss would be calculated based on the book carrying cost of Landco.

As referred to above, the assets to be utilised to settle the ABHC Promissory Note include shares in two Landco subsidiaries which own shopping malls, model houses, shares in a club, and lots in Landco projects, all of which are identified in the Landco Agreement. MPIC intends to retain such physical assets for the time being and should suitable opportunities arise, MPIC may sell such assets. Cash proceeds received by MPIC will be applied towards working capital.

CONNECTED RELATIONSHIP BETWEEN THE PARTIES

AXB is a director of MPIC and Landco and holds more than 30% interests in ABHC. ABHC and AXB also together own 49% interests in Landco. As such, the entering into of the Landco Agreement between MPIC, ABHC, AXB and Landco is a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules.

LISTING RULES IMPLICATIONS

Each of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Landco Agreement is less than 2.5%. Pursuant to Rule 14A.66(2), the Landco Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the requirement for approval by independent shareholders of the Company.

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.

MPIC is a Philippine corporation which is part of the First Pacific group on account of the equity interests of an affiliate of the Company. MPIC's shares are listed on the Philippine Stock Exchange. The Company has an approximately 98.0% attributable economic interest in MPIC. However, as referred to in the Company's overseas regulatory announcement dated 22 December 2008, MPIC agreed to issue approximately 791.1 million new shares to LAWL Pte. Ltd. ("LAWL") and/or its designated affiliates (the "LAWL Placement"). The LAWL Placement is scheduled to complete on or before 30 June 2009. Assuming that the LAWL Placement had been completed as at the date of this announcement, the First Pacific group would have an approximately 90.4% attributable economic interest in MPIC. MPIC is a flagship infrastructure company in the Philippines, with holdings in water, tollways and health care enterprises.

ABHC is an investment holding company incorporated in the Republic of the Philippines.

AXB is a director of MPIC and Landco.

Landco is a Philippine corporation engaged in all aspects of real estate businesses. The net asset value of Landco as at 31 December 2008 is PhP1,117.5 million (approximately US\$23.5 million and approximately HK\$183.4 million) and the net profits of Landco before and after taxation and extraordinary items are PhP56.7 million (approximately US\$1.3 million and approximately HK\$9.9 million) and PhP4.6 million (approximately US\$0.1 million and approximately HK\$0.8 million), respectively, for the financial year ended 31 December 2008 and net profits of Landco before and after taxation and extraordinary items are PhP249.6 million (approximately US\$5.4 million and approximately HK\$42.5 million) and PhP106.6 million (approximately US\$2.3 million and approximately HK\$18.1 million), respectively, for the financial year ended 31 December 2007.

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

Hong Kong, 24 June 2009

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Php48.4 = 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*