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The securities described herein will be sold in accordance with all applicable laws and regulations.



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)

**PROPOSED RIGHTS ISSUE
OF NOT LESS THAN 479,417,747 RIGHTS SHARES
AND NOT MORE THAN 491,036,788 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
AND
CLOSURE OF REGISTER OF MEMBERS**

Underwriter of the Rights Issue



PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$3,883.3 million (approximately US\$500.4 million) before 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, which is currently expected to be Thursday, 13 June 2013. Qualifying Shareholders will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess applications.

Depending on the number of Shares issued prior to the Record Date in respect of Vested Share Options that are exercised and assuming that otherwise no other Shares are issued prior to the Record Date, the Rights Issue will involve the issue of not less than 479,417,747 Rights Shares and not more than 491,036,788 Rights Shares at the Rights Subscription Price of HK\$8.10 per Rights Share payable in full on application.

The estimated net proceeds of the Right Issue are not less than approximately HK\$3,830.2 million (approximately US\$493.6 million) and not more than approximately HK\$3,922.1 million (approximately US\$505.4 million). The Company intends to apply the net proceeds of the Rights Issue to strengthen the Company's balance sheet, to finance potential acquisitions and for general corporate purposes.

The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at 5:00 p.m. on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at 5:00 p.m. on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the branch share registrar of the Company in Hong Kong, 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 4:30 p.m. on Monday, 10 June 2013.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise their options in accordance with their terms before 4:30 p.m. on Friday, 7 June 2013 so as to enable them to be registered as members of the Company by 5:00 p.m. on the Record Date.

The register of members of the Company will be closed from Tuesday, 11 June 2013 to Thursday, 13 June 2013, both days inclusive. No transfers of Shares will be registered during this period.

IRREVOCABLE UNDERTAKING OF THE CONTROLLING SHAREHOLDER

Pursuant to the Controlling Shareholder's Undertaking, 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 are beneficially interested;
- (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 are on the date of this announcement;
- (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 subscription for), by 4:00 p.m. on the Latest Acceptance Date, those additional Rights Shares.

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

The Underwriter has agreed to fully underwrite the Underwritten Rights Shares, being all the Rights Shares other than those agreed to be, or to be procured to be, taken up or applied for by the Controlling Shareholder pursuant to the Controlling Shareholder's Undertaking, subject to the terms and conditions of the Underwriting Agreement.

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

It should be noted that the Underwriting Agreement contains provisions granting to the Underwriter the right to terminate its obligations on the occurrence of certain events, including force majeure. Please refer to the section headed “Termination of the Underwriting Agreement” in this announcement for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares 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.

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis is Thursday, 6 June 2013. The Shares will be dealt with on an ex-rights basis from Friday, 7 June 2013. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 18 June 2013 to Tuesday, 25 June 2013 (both days inclusive).

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date, which is expected to be on Friday, 28 June 2013 or such other date as the Company and the Underwriter may agree in writing. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed “Expected Timetable for the Rights Issue” below.

NO REQUIREMENT FOR SHAREHOLDERS’ APPROVAL

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.

GENERAL

The Prospectus containing further information in relation to the Rights Issue is expected to be despatched by the Company, together with the PALs and EAFs, to Qualifying Shareholders on or before Friday, 14 June 2013. A copy of the Prospectus will also be made available on the websites of the Company (www.firstpacific.com) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus (which will include an explanation for their exclusion) to Non-Qualifying Shareholders for their information purposes only but will not send PALs or EAFs to them. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act.

TERMS OF THE RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$3,883.3 million (approximately US\$500.4 million) before 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 will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess applications.

Depending on the number of Shares issued prior to the Record Date in respect of Vested Share Options that are exercised and assuming that otherwise no other Shares are issued before the Record Date, the Rights Issue will involve the issue of not less than 479,417,747 Rights Shares and not more than 491,036,788 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\$3,883.3 million (approximately US\$500.4 million), if no Vested Share Options are exercised and approximately HK\$3,977.4 million (approximately US\$512.6 million) if all Vested Share Options are duly exercised, both before deducting expenses.

Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every eight (8) Existing Shares held at 5:00 p.m. on the Record Date
Number of Shares in issue:	3,835,341,977 Shares as at the date of this announcement
Number of Rights Shares:	Not less than 479,417,747 Rights Shares and not more than 491,036,788 Rights Shares (Note)

Rights Subscription Price: HK\$8.10 per Rights Share

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 and expected to be payable on 24 June 2013.** Following the Rights Shares having been issued and fully-paid, holders of the 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

Number of Underwritten Rights Shares: Not less than 246,888,862 Rights Shares (assuming no additional Shares are acquired by the Controlling Shareholder or his associates prior to 5:00 p.m. on the Record Date) and not more than 258,507,903 Rights Shares

Note: As at the date of this announcement, there are 136,492,330 Share Options outstanding which entitle the holders thereof to subscribe for 136,492,330 Shares, of which, 92,952,330 Share Options (conferring rights to subscribe for 92,952,330 Shares) are vested or scheduled to vest on or before the Record Date. Assuming the issue on or before 5:00 p.m. on the Record Date of new Shares in respect of the exercise of all Vested Share Options and that no other Shares are issued before the Record Date, the maximum number of Rights Shares that would be issued by the Company would be 491,036,788 Rights Shares.

Save for the Share Options, 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 as at the date of this announcement.

The number of Rights Shares to be issued represents approximately 12.5% of the issued share capital of the Company as at the Record Date and approximately 11.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Qualifying Shareholders and closure of register of members

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at 5:00 p.m. on the Record Date and not be a Non-Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. In respect of Non-Qualifying Shareholders, the Company will, to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus (which will include an explanation for their exclusion) to them for their information purposes only but will not send PALs or EAFs to them. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

In order to be registered as members of the Company at 5:00 p.m. on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the branch share registrar of the Company in Hong Kong, being

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for registration no later than 4:30 p.m. on Monday, 10 June 2013.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise their options in accordance with their terms before 4:30 p.m. on Friday, 7 June 2013 so as to enable them to be registered as members of the Company by 5:00 p.m. on the Record Date.

The register of members of the Company will be closed from Tuesday, 11 June 2013 to Thursday, 13 June 2013, both days inclusive for determining the entitlements to the Rights Issue. No transfers of Shares will be registered during this period.

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.

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 29.6% to the closing price of HK\$11.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.2% to the theoretical ex-rights price of HK\$11.12 per Share which is calculated based on the closing price of the Shares on the Last Trading Day;
- (iii) 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;
- (iv) 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;
- (v) 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; and
- (vi) 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.

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

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.

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, constituting a total of up to 491,036,788 Rights Shares. 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, with the branch share registrar of the Company in Hong Kong, being

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on or before 4:00 p.m. on Friday, 28 June 2013.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue and the Underwriting Agreement" of this announcement, 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 before Monday, 8 July 2013 to Qualifying Shareholders who have validly accepted, applied for and paid for the Rights Shares. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or around Monday, 8 July 2013 by ordinary mail to the applicants at their own risk.

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 and expected to be payable on 24 June 2013.** Following the Rights Shares having 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 of the fully-paid Rights Shares.

Non-Qualifying Shareholders

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company is making enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders. Save and except as provided below, if, after having made and on the basis of such enquiries, the Directors consider that it is necessary or expedient not to offer the Rights Shares to Overseas Shareholders in any jurisdiction, on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such jurisdiction, the Rights Issue will not be available to Overseas Shareholders in such jurisdictions and those Overseas Shareholders will be Non-Qualifying Shareholders for the purposes of the Rights Issue. The basis for excluding Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue subject to the results of the enquiries made by the Company. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Notwithstanding the foregoing, the Prospectus is expected to include provisions permitting certain categories of sophisticated and/or qualified investors in the US, the UK, Canada and possibly other jurisdictions to take up their rights under the Rights Issue, subject to complying with certain certification and other requirements (to be described in the Prospectus) which the Directors consider as necessary or desirable in order to enable those investors to take part in the Rights Issue in compliance with their applicable local laws and regulations. Shareholders complying with those requirements would be Qualifying Shareholders for the purposes of the Rights Issue. The Company reserves the absolute discretion to determine whether to allow such participation as well as the identity of any person(s) who may be allowed to do so.

In respect of Non-Qualifying Shareholders whose addresses as shown in the register of members of the Company at 5:00 p.m. on the Record Date are in an Excluded Jurisdiction, arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to those Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to such Non-Qualifying Shareholders pro-rata to their shareholdings, held at 5:00 p.m. on the Record Date. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of such Non-Qualifying Shareholders to the Rights Shares will be made available for excess applications on EAFs by Qualifying Shareholders.

In respect of any Non-Qualifying Shareholder resident in an Excluded Jurisdiction but holding his/her/its interest 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 an Excluded Jurisdiction (including where such Non-Qualifying Shareholder holds interests in Shares through CCASS), the nil-paid Rights Shares which would otherwise have been available to be taken up by such Non-Qualifying Shareholder will not be sold in the market and the relevant Non-Qualifying Shareholder will not receive the proceeds of any such sale. The reason for the different arrangement in respect of such Non-Qualifying Shareholders is that the Company will not have the necessary information in relation to such Non-Qualifying Shareholders who are beneficial owners but not registered holders of Shares to know who those beneficial owners are or 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.

The Company will, to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus (which will include an explanation for their exclusion) to Non-Qualifying Shareholders for their information purposes only but will not send PALs or EAFs to Non-Qualifying Shareholders. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

Fractional entitlements

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

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) any 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 with addresses in an Excluded Jurisdiction.

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 branch share registrar of the Company in Hong Kong, being

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for registration no later than 4:00 p.m. on Friday, 28 June 2013 or such later time and/or date as may be agreed between the Company and the Underwriter.

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 existing number of 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.

Investors or beneficial owners with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Investors or beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to 5:00 p.m. on the Record Date.

Investors or beneficial owners whose Shares are held by a nominee (or which are held in CCASS) and would like to have their names registered on the register of members of the Company must lodge all necessary documents with the branch share registrar of the Company in Hong Kong, being

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for completion of the relevant registration by 4:30 p.m. on Monday, 10 June 2013.

Application for listing/Dealing arrangements

The Company will apply 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. No part of the Shares in issue or to be issued under the Rights Issue are listed or dealt in on any other stock exchange.

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.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000). Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong. Shareholders 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.

Underwriting arrangements for the Rights Issue

(1) Controlling Shareholder's Undertaking

As at the date of this announcement, the Controlling Shareholder and his associates are beneficially interested in a total of 1,706,947,154 Shares. The Company's total issued share capital is currently 3,835,341,977 ordinary shares of US\$0.01 each. Accordingly, the Controlling Shareholder is interested in approximately 44.51% of the Company's current issued share capital.

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 are beneficially interested;
- (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 are on the date of this announcement;
- (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.

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 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

Parties: The Company and the Underwriter

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 additional 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) any additional Rights Shares provisionally allotted to the Controlling Shareholder and/or his associates 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, being not less than 246,888,862 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the exercise of Vested Share Options and no further Shares are acquired by the Controlling Shareholder or his associates on or before that time) and not more than 258,507,903 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the exercise of all Vested Share Options).

Underwriting commission: 2.3% of the amount determined by multiplying the number of Underwritten Rights Shares by the Rights Subscription Price, which amounts to not less than approximately HK\$46.0 million (approximately US\$5.9 million) (assuming no additional Shares are acquired by the Controlling Shareholder or his associates prior to 5:00 p.m. on the Record Date) and not more than approximately HK\$48.2 million (approximately US\$6.2 million).

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 Thursday, 13 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 the Prospectus in compliance with the Companies Act 1981 of Bermuda (as amended);
- (d) the sending of the Prospectus Documents to Qualifying Shareholders only; 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 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;
- (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 the Underwriter) 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 Underwriter and

the Company 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.

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 this 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 this 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 this 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 this announcement);
- (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, its obligations under the Underwriting Agreement 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.

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 Vested 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 (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, 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 maybe), 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 has an interest in any such Shares) or (iii) offer or agree or contract or announce any intention to enter in 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 respective 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 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 REQUIREMENT FOR SHAREHOLDERS' APPROVAL AND 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 (excluding, for these purposes, Non-Qualifying Shareholders) pro rata to their existing shareholdings (apart from fractional entitlements to Rights Shares), 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 2012 annual general meeting of the Company.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 3,835,341,977 Shares in issue and 136,492,330 Share Options outstanding which entitle the holders thereof to subscribe for 136,492,330 Shares, of which a total of 92,952,330 Share Options will have vested or are scheduled to vest on or before the Record Date, entitling the holders thereof to subscribe for 92,952,330 Shares (the “**Vesting Shares**”). Set out below are the shareholding structures of the Company under various scenarios before and immediately upon completion of the Rights Issue:

- (i) **Upon completion of the Rights Issue, assuming no issue of any of the Vesting Shares or any other Shares (other than the Rights Shares) on or before completion of the Rights Issue and assuming no additional Shares are acquired by the Controlling Shareholder or his associates prior to the Record Date**

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the 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	1,706,947,154	44.5	1,920,315,546	44.5	1,939,476,039	45.0
Directors (other than the Controlling Shareholder)	87,583,420	2.3	98,531,346	2.3	87,583,420	2.0
Underwriter	–	–	–	–	246,888,862	5.7
Other Shareholders (being public Shareholders)	2,040,811,403	53.2	2,295,912,832	53.2	2,040,811,403	47.3
Total	<u>3,835,341,977</u>	<u>100.0</u>	<u>4,314,759,724</u>	<u>100.0</u>	<u>4,314,759,724</u>	<u>100.0</u>

- (ii) Upon completion of the Rights Issue, assuming the issue of all of the Vesting Shares on or before 5:00 p.m. on the Record Date but that otherwise no other Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue

Shareholders	Assuming, as at the date of this announcement, all Vesting Shares have been issued and allotted		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the 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	1,706,947,154	43.5	1,920,315,546	43.5	1,939,476,039	43.9
Directors (other than the Controlling Shareholder)	133,465,574	3.4	150,148,767	3.4	133,465,574	3.0
Underwriter	–	–	–	–	258,507,903	5.9
Other Shareholders (being public Shareholders)	2,087,881,579	53.1	2,348,866,782	53.1	2,087,881,579	47.2
Total	<u>3,928,294,307</u>	<u>100.0</u>	<u>4,419,331,095</u>	<u>100.0</u>	<u>4,419,331,095</u>	<u>100.0</u>

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

The Shares are expected to be dealt with on an ex-rights basis from Friday, 7 June 2013. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 18 June 2013 to Tuesday, 25 June 2013 (both dates inclusive).

It should be noted that the Underwriting Agreement contains provisions granting to the Underwriter the right to terminate its obligations on the occurrence of certain events, including force majeure. Please refer to the section headed “Termination of the Underwriting Agreement” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, the Rights Issue will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares 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.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

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 holders of Vested Share Options
who wish to participate in the Rights Issue
to exercise their options 4:30 p.m., Friday, 7 June
- Latest time for lodging transfers of Shares and
related documents 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 (both dates inclusive). Tuesday, 11 June to
Thursday, 13 June
- Reference time on the Record Date. 5:00 p.m., Thursday,
13 June
- Prospectus Documents to be posted Friday, 14 June
- First day of dealings in nil-paid Rights Shares Tuesday, 18 June
- Latest time for splitting nil-paid Rights Shares 4:30 p.m., Thursday, 20 June
- Last day of dealings in nil-paid Rights Shares Tuesday, 25 June

Latest time for acceptance of Rights Shares and
payment and for application and payment
for excess Rights Shares 4:00 p.m., Friday, 28 June

Rights Issue and Underwriting Agreement
expected to become unconditional. 4:30 p.m., Tuesday, 2 July

Announcement of the results of the Rights Issue
to be released Friday, 5 July

Refund cheques for wholly and partially unsuccessful
excess applications to be posted Monday, 8 July

Share certificates for Rights Shares to be posted. Monday, 8 July

First day of dealings in fully-paid Rights Shares. Tuesday, 9 July

Notes:

- (i) *All times in this announcement refer to Hong Kong time.*
- (ii) *Dates or deadlines specified in this announcement are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Further announcement will be made in the event that there is any change to the expected timetable.*

Effect of bad weather on the latest time for acceptance of Rights Shares

The latest time for acceptance of Rights Shares 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 Friday, 28 June 2013. Instead the latest time for acceptance of the Rights Shares 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 Friday, 28 June 2013. Instead the latest time for acceptance of the Rights Shares 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 the Rights Shares and the payment, in both instances, therefor, does not take place on Friday, 28 June 2013, the subsequent dates mentioned in the section headed “Expected timetable for the Rights Issue” in this announcement above may be affected. An announcement will be made by the Company in such event.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

Reasons for the Rights Issue

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.

Use of Proceeds

The estimated expenses in relation to the Rights Issue (including the underwriting commission, printing, registration, translation, legal, accounting and documentation charges) are estimated to be not less than approximately HK\$53.1 million (approximately US\$6.8 million) and not more than approximately HK\$55.3 million (approximately US\$7.1 million) and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$7.99.

The estimated net proceeds of the Rights Issue are expected to be approximately HK\$3,830.2 million (approximately US\$493.6 million) after the deduction of all estimated expenses (assuming that no Shares are issued on or before the Record Date pursuant to any exercise of Vested Share Options) or approximately HK\$3,922.1 million (approximately US\$505.4 million) after the deduction of all estimated expenses (assuming that Shares have been issued on or before the Record Date pursuant to the exercise of all the Vested Share Options).

The Company intends to apply the net proceeds of the Rights Issue to strengthen the Company’s balance sheet, to finance potential acquisitions and for general corporate purposes.

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 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 in the 12 months immediately preceding the date of this announcement.

ADJUSTMENT TO SHARE OPTIONS

In accordance with the terms of the Company's Share Option Schemes, the Rights Issue may lead to adjustment(s) to the number or nominal amount of Shares, the option exercise price, and/or the method of exercise of the Share Options following completion of the Rights Issue. The Company will ascertain the required adjustment(s), if any, and inform the holders of the Share Options of the required adjustment(s) as soon as practicable. Any such adjustment(s) to the option exercise price will comply with the supplemental guidance issued by the Stock Exchange on 5 September 2005 and will be reviewed by the Company's auditor. A further announcement will be made in relation to any adjustment(s) to the Share Options and the date they are expected to take effect once determined by the Company.

The Company may grant additional Share Options, prior to the Record Date, as part of the Company's long term management incentive program, in respect of Shares not exceeding 1.5% of the Company's issued share capital prior to the issue of the Rights Shares; but those Share Options would not vest prior to the Record Date and any such grantees would not be eligible to participate in the Rights Issue. If any Share Options are granted, a separate announcement would be made. If Share Options are granted prior to the Record Date, the Share Options would be subject to adjustment under the terms of the relevant Share Option Scheme, as described above.

REVIEW OF OPERATIONS – UPDATE

The Group's operating businesses have been performing satisfactorily in 2013. The first quarter 2013 financial results of PLDT, Metro Pacific Investments Corporation, Philex Mining Corporation, PT Indofood Sukses Makmur Tbk ("**Indofood**") and Indofood Agri Resources Ltd. were announced by the Company between 29 April 2013 and 8 May 2013 and are available on the Company's website and the Stock Exchange's website. The first quarter 2013 financial results of Manila Electric Company and Philex Petroleum Corporation have been published by those companies under the rules of the Philippine Stock Exchange; and the first quarter 2013 financial results of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk and PT Salim Ivomas Pratama Tbk have been published by those companies under the rules of the Indonesia Stock Exchange.

Notwithstanding the satisfactory performance of the Group's operating businesses, 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 Mining Corporation, 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. 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% Guaranteed Bonds due 2019, the proceeds of which were used to fund the strategic acquisition of PacificLight Power Pte Ltd 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, will have an accounting (non cash) impact on recurring profit for the first half of 2013; and if the Share Options referred to in the section above headed "Adjustment to Share Options" are granted in the first half of 2013 that would also have an accounting (non cash) impact on recurring profit. The initial cycle of awards under the long term incentive plan will vest over 4.5 to 5 years and, if granted, the Share Options would vest over 4.3-4.8 years.

GENERAL

In this announcement, the minimum number of Underwritten Rights Shares, minimum and maximum amount of underwriting commission and estimate of net proceeds all assume that no additional Shares are acquired by the Controlling Shareholder or his associates prior to the Record Date.

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.

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company, together with the PALs and EAFs, to Qualifying Shareholders on or before Friday, 14 June 2013. A copy of the Prospectus will also be made available on the websites of the Company (www.firstpacific.com) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus (which will include an explanation for their exclusion) to Non-Qualifying Shareholders for their information purposes only but will not send PALs or EAFs to them. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act. The Rights Issue is only available to the Qualifying Shareholders, and will not be available to the Non-Qualifying Shareholders.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday, any public holiday in Hong Kong or a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which commercial banks in Hong Kong are generally open for business;
“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 the Prospectus, to be sent to Shareholders with registered addresses in Canada;
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC;
“Companies Ordinance”	The Companies Ordinance (Chapter 32 of the Laws of Hong Kong);

“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“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 announcement;
“Director(s)”	director(s) of the Company;
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue;
“Excluded Jurisdiction”	any jurisdiction in respect of which the Company determines, in accordance with Rule 13.36(2)(a) of the Listing Rules, that it is necessary or expedient not to offer Rights Shares to Shareholders in such jurisdiction (other than offers to certain categories of sophisticated and/or qualified investors permitted by, and in accordance with, applicable local laws and regulations);
“Existing Shares”	the Shares which are in issue at 5:00 p.m. on the Record Date;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“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);
“Last Trading Day”	Monday, 27 May 2013, being the last completed Stock Exchange trading day immediately prior to the publication of this announcement;
“Latest Acceptance Date”	the latest date for acceptance of, and payment for, Rights Shares, which is expected to be on Friday, 28 June 2013;
“Latest Time for Termination”	4:30 p.m. on the Business Day immediately following the Latest Acceptance Date, which is expected to be on Tuesday, 2 July 2013;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	those Shareholders 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 a place outside Hong Kong or the requirements of a relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong and beneficial owners of Shares at that time who are otherwise known to the Company to be resident in a place(s) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue;
“PLDT”	Philippine Long Distance Telephone Company;

“Prospectus”	a prospectus to be issued by the Company in relation to the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL and EAF;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at 5:00 p.m. on the Record Date;
“Record Date”	the date by reference to which entitlements to participate in the Rights Issue are to be determined, which is now expected to be Thursday, 13 June 2013 (or such other date to be agreed in writing between the Company and the Underwriter);
“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)”	new Share(s) 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;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of 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 of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“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 announcement, 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;
“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 for by way of excess application), and (3) any additional Rights Shares provisionally allotted to the Controlling Shareholder and/or his associates 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 (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 a minimum of 246,888,862 Rights Shares (assuming no additional Shares are acquired by the Controlling Shareholder or his associates prior to the Record Date) and a maximum of 258,507,903 Rights Shares);
“US”	United States of America;
“US\$”	United States dollar, the lawful currency of the US;

“Vested Share Options” Share Options which have been validly vested or are scheduled to vest on or before the Record Date entitling the holders to subscribe for Shares on or before the Record Date (being Share Options in respect of 92,952,330 Shares as at the date of this announcement); and

“%” per cent.

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

Hong Kong, 27 May 2013

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

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

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Napoleon L. Nazareno

Independent Non-executive Directors:

Graham L. Pickles
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Jun Tang
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok