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

If you have sold or transferred all of your shares in First Pacific Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

MAJOR TRANSACTION

DISPOSAL OF INTEREST IN ESCOTEL MOBILE COMMUNICATIONS LIMITED

A notice convening a special general meeting of First Pacific Company Limited to be held at The International Board Room, 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR on Monday, 1st March, 2004 at 3:00 p.m. is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy to the head office of First Pacific Company Limited (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

5th February, 2004

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:–

“Balance BLC Note”	the negotiable promissory note with a face amount of Pesos 132.0 million (HK\$19.0 million), bearing interest at 14.0 per cent per annum, issued by Bonifacio Land Corporation in favour of MPC on 23rd November, 2002;
“Balance BLC Note Security”	the pledge agreement dated 23rd November, 2002 executed by Bonifacio Land Corporation in favour of MPC covering the pledge over 232,772,422 shares in Fort Bonifacio Development Corporation, representing 1.1 per cent of the issued share capital of Fort Bonifacio Development Corporation, as security for payment of the Balance BLC Note;
“BLC Note”	the negotiable promissory note with a face value of Pesos 655.0 million (HK\$94.5 million), bearing interest at 14.0 per cent per annum, issued by Bonifacio Land Corporation in favour of MPC on 23rd November, 2002;
“BLC Note Security”	the pledge agreement dated 23rd November, 2002 executed by Bonifacio Land Corporation in favour of MPC covering the pledge over 1,155,044,970 shares in Fort Bonifacio Development Corporation, representing 5.6 per cent of the issued share capital of Fort Bonifacio Development Corporation, as security for payment of the BLC Note;
“Board”	the board of Directors;
“Completion”	completion of the SPA upon the terms and conditions set out therein;
“Directors”	the directors of First Pacific;
“Escorts”	Escorts Limited, a company established under the laws of India;
“Escotel”	Escotel Mobile Communications Limited, a company established under the laws of India;
“ETL”	Escorts Telecommunications Limited, a company established under the laws of India;
“First Pacific” or “the Company”	First Pacific Company Limited;
“First Pacific Group”	the Company and its subsidiaries;

DEFINITIONS

“Hong Kong SAR”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong SAR;
“Idea Cellular”	Idea Cellular Limited, a company established under the laws of India;
“Latest Practicable Date”	2nd February, 2004 being the latest practicable date for the collation of relevant information prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Larouge”	Larouge B.V., a company incorporated under the laws of the Netherlands, and which is a wholly owned subsidiary of the Company;
“Larouge Agreement”	the assignment agreement dated 8th February, 2003 entered into between Larouge, Evergreen Holdings, Inc., Ayala Land, Inc. and Greenfield Development Corporation in relation to the sale and assignment of the Larouge Loan and the Larouge Pledge;
“Larouge Loan”	the short term loan facility in an aggregate principal amount of US\$90.0 million (HK\$702.0 million) advanced to MPC by Larouge under a facility agreement dated 26th March, 2001, as amended pursuant to a Deed of Amendment and Reconfirmation dated 31st October, 2001 entered into between MPC and Larouge and as further amended, to exclude all payments other than of principal payable to Larouge thereunder, by the Larouge Loan Supplemental Deed;
“Larouge Loan Supplemental Deed”	the supplemental deed dated 8th February, 2003 entered into by MPC and Larouge in relation to the amendment of the Larouge Loan to exclude all payments other than of principal payable to Larouge thereunder;
“Larouge Pledge”	the pledge granted by MPC over 50.4 per cent of the outstanding common stock of Bonifacio Land Corporation in favour of Larouge pursuant to the pledge agreement dated 6th April, 2001 executed by MPC (and the other pledgors named therein) to secure the obligations of MPC under the Larouge Loan, as amended by the Larouge Pledge Supplemental Agreement;

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“Larouge Pledge Supplemental Agreement”	the supplemental agreement dated 8th February, 2003 entered into by MPC and Larouge for the purpose of amending the Larouge Pledge so as, inter alia, to exclude all payments other than of principal payable to Larouge under the Larouge Loan from the definition of “Secured Indebtedness” as defined therein;
“MPC”	Metro Pacific Corporation, a corporation established under the laws of the Republic of the Philippines and the shares of which are listed on the Philippine Stock Exchange. The First Pacific Group has an aggregate direct and indirect attributable economic interest in MPC of 80.6 per cent;
“MPC Agreement”	the agreement dated 23rd November, 2002 entered into between MPC, Greenfield Development Corporation and Ayala Land, Inc. in relation to, amongst other things, a proposed restructuring of certain of MPC’s indebtedness, as amended pursuant to an amendment agreement dated 8th February, 2003 entered into between MPC, Evergreen Holdings, Inc. and Ayala Land, Inc.;
“PCL”	Personal Communications (Mauritius) Limited, a company established under the laws of Mauritius and a wholly owned subsidiary of First Pacific;
“Pesos”	Philippine pesos, the lawful currency of the Republic of the Philippines;
“PRC”	the People’s Republic of China;
“Pre-Closing Pledge Agreement”	the pledge agreement dated 23rd November, 2002 executed by MPC in favour of Greenfield Development Corporation and Ayala Land, Inc. creating a pledge over the BLC Note (together with the BLC Note Security) and five per cent of Bonifacio Land Corporation’s unencumbered shares, owned by MPC, as security for certain obligations of MPC under the MPC Agreement, as amended by the Amendment to Pledge Agreement dated 8th February, 2003 executed by MPC and the group comprising Evergreen Holdings, Inc. and Ayala Land, Inc.;
“Purchaser”	Idea Cellular;
“Rs.”	Indian Rupees, the lawful currency of India;

DEFINITIONS

“Security Assignment”	the deed of assignment dated 23rd November, 2002 executed by Greenfield Development Corporation and Ayala Land, Inc. in favour of MPC in respect of Greenfield Development Corporation’s and Ayala Land, Inc.’s right to receive amounts to be paid by Fort Bonifacio Development Corporation in settlement of its obligations under certain financing arrangements, together with the rights accruing in favour of Greenfield Development Corporation and Ayala Land, Inc. under the real estate mortgage constituted thereunder, to the extent of the principal amount not exceeding Pesos 330.0 million (HK\$47.6 million);
“Shareholders”	shareholders of First Pacific;
“SPA”	the Foreign Share Sale and Purchase Agreement dated 15th January, 2004 referred to in this circular;
“Special General Meeting”	the special general meeting of First Pacific to be held at The International Board Room, 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR, on Monday, 1st March, 2004 at 3:00 p.m., the notice of which is set out on pages 17 to 18 of this circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“Vendors”	First Pacific and its wholly owned subsidiary, PCL.

This circular contains translations of certain amounts into HK\$ at the rates specified herein. Translations of amounts into HK\$ have been made at the rates of US\$1=HK\$7.8=Rs. 45.53=Pesos 54.05. All such translations have been made on an approximate basis and are subject to rounding and no representation is made that the amounts referred to herein could have been, or could be, converted at any particular rate, the rates so specified or at all.

LETTER FROM THE COMPANY



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Manuel V. Pangilinan (*Managing Director and CEO*)
Edward A. Tortorici
Robert Charles Nicholson

Non-executive Directors:

Anthoni Salim (*Non-executive Chairman*)
Sutanto Djuhar
Tedy Djuhar
Ibrahim Risjad
Benny S. Santoso

Independent Non-executive Directors:

Prof. Edward K.Y. Chen, CBE, JP, G.B.S.
His Excellency Albert F. Del Rosario
David W.C. Tang, OBE

Head Office:

24th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong SAR, PRC

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

5th February, 2004

Dear Shareholder,

MAJOR TRANSACTION

DISPOSAL OF INTEREST IN ESCOTEL MOBILE COMMUNICATIONS LIMITED

INTRODUCTION

On 15th January, 2004 First Pacific entered into a legally binding agreement with Idea Cellular in respect of the sale of First Pacific Group's 49 per cent shareholding in Escotel to Idea Cellular for an aggregate consideration of Rs. 700 million (HK\$119.9 million) payable in full in cash on Completion.

The transaction constitutes a major transaction for First Pacific under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide the shareholders of First Pacific with further information in relation to the transaction.

LETTER FROM THE COMPANY

This circular also contains a copy of the notice of the Special General Meeting of the Shareholders to be held on Monday, 1st March, 2004 at 3:00 p.m. to consider and, if deemed fit, approve the transaction pursuant to the Listing Rules.

THE TRANSACTION

Parties to the transaction

Vendors: First Pacific and its wholly owned subsidiary, PCL, in respect of their combined 49 per cent shareholding in Escotel.

Purchaser: Idea Cellular, an independent third party. Idea Cellular and its ultimate beneficial owners are not connected persons, under the Listing Rules, of First Pacific or any of its directors, chief executive, substantial shareholders or subsidiaries or any of their respective associates.

Escotel is also a party to this agreement.

Summary of the transaction

Escotel is 49 per cent owned by the First Pacific Group and 51 per cent owned by Escorts. The First Pacific Group will sell its entire interest in Escotel to Idea Cellular.

The First Pacific Group will receive Rs. 700 million (HK\$119.9 million) from the sale of its entire 49 per cent interest in Escotel and will be released from all of the guarantees, sureties and other security arrangements given by it in respect of the obligations of Escotel. The consideration was agreed after arms-length negotiations, having taken into account the respective benefits which are expected to accrue to the respective parties to the transaction such as for the Purchaser, the benefits flowing from the telecommunication licences held by Escotel and for the First Pacific Group, the ability to further implement its strategy to focus upon its core investments and strengthen its working capital position, and the release of guarantees given in respect of Escotel's liabilities.

Under a separate agreement with Idea Cellular, Escorts will also, simultaneously upon Completion, sell its 51 per cent controlling shareholding in Escotel to Idea Cellular at a comparable price but which reflects the controlling interest in Escotel being sold by Escorts and the additional obligations in terms of representations and warranties being assumed by Escorts in the transaction. Completion of sale by Escorts of its 51 per cent controlling shareholding in Escotel is conditional upon, among other things, satisfaction of the conditions precedent to completion of the sale of First Pacific's 49 per cent shareholding in Escotel to the Purchaser. The conditions precedent to completion of the sale and purchase of Escorts' shareholding in Escotel may be waived by the party having the benefit of the relevant condition.

Escorts is also selling its interest in ETL to Idea Cellular under those agreements. ETL is a separate subsidiary of Escorts, unrelated to Escotel or the First Pacific Group, owning and operating other telecommunications ventures in India.

Consideration

The sale price is Rs. 700 million (HK\$119.9 million) for 49 per cent of Escotel. The entire consideration is to be paid in cash (in Indian Rupees) on Completion. The consideration represents an excess of approximately US\$20 million (approximately HK\$156 million) over the book value of the 49 per cent shareholding interest in Escotel.

LETTER FROM THE COMPANY

Completion

Completion will occur not later than 5 business days following the date on which the conditions precedent to Completion, referred to below, are fulfilled. Completion is expected to take place in the second quarter of 2004 and, in any event, no later than the date falling 150 days after the date of the SPA (or such other date as may be agreed by the parties). Simultaneously upon Completion, Escorts will also sell its 51 per cent controlling shareholding in Escotel to Idea Cellular in accordance with the relevant sale and purchase agreement.

Conditions Precedent to Completion:

Completion is conditional upon the fulfilment of the following conditions precedent:–

- (i) the representations and warranties given by parties to the SPA remaining accurate and each of the parties having complied with their respective obligations under the SPA up to Completion;
- (ii) the Vendors having received all necessary corporate approvals (including any necessary approval by their respective shareholders) in connection with the transactions contemplated by the SPA having been obtained;
- (iii) all governmental and regulatory approvals required in connection with the completion of the transactions contemplated by the SPA, including any approvals required from the Reserve Bank of India, having been obtained;
- (iv) the Purchaser having received the approval of its lenders to purchase the Escotel shares;
- (v) Escotel having entered into a depository agreement dematerializing the shares to be sold under the SPA;
- (vi) the unconditional release of First Pacific and Escorts, from all their respective obligations under all guarantees, sureties and other security arrangements given or arranged by them in relation to the business and operations of Escotel; and
- (vii) the conditions precedent to completion of the sale and purchase of Escorts' 51 per cent interest in Escotel to the Purchaser, and its interest in ETL, having been fulfilled.

As at the Latest Practicable Date, the parties are in the process of procuring satisfaction of the above conditions precedent but none of them has been fully satisfied. The conditions precedent may be waived by the party having the benefit of the relevant condition. The Vendors do not have any present intention to waive the conditions precedent and are not aware of any present intention on the part of the Purchaser to do so. If these conditions have not been satisfied or waived and Completion has not occurred by the date falling 150 days after the date of the SPA and the parties have not agreed to allow more time for the conditions to be satisfied, the SPA may be terminated by either party. The SPA does not provide for the payment of damages on such termination. Obligations of the parties shall cease after termination of the SPA (save and except certain obligations such as confidentiality and in respect of antecedent breaches).

LETTER FROM THE COMPANY

Other Material Terms:

Other material terms of the SPA include the following:–

- (i) with effect from the date of the SPA, the Purchaser will provide interim financing to Escotel, without recourse to the First Pacific Group, in an amount of up to Rs. 710 million (HK\$121 million) to meet Escotel's ongoing operational needs;
- (ii) the SPA provides for transitional management arrangements and customary restrictions on the business and operations of Escotel, during the period between the date of the SPA and Completion;
- (iii) the SPA contains representations and warranties from the First Pacific Group in relation to the ownership and status of its shareholding in, and related shareholder advances made to, Escotel; however, all representations and warranties in relation to Escotel's operations, business and assets are given by Escorts and not by the First Pacific Group; and
- (iv) prior to Completion, the Vendors will assign to Escorts, for a nominal consideration, an aggregate amount of subordinated shareholders advances made to Escotel of Rs. 881 million (HK\$150.9 million). It is anticipated that, as part of the arrangements between the Purchaser and Escorts' in relation to the sale of Escorts' controlling interest in Escotel to the Purchaser, these advances will be restructured after Completion. The indebtedness will continue to be subordinated but will be repayable by Escotel to Escorts in or after the year 2013.

RATIONALE FOR THE TRANSACTION AND INTENDED USE OF PROCEEDS

Although First Pacific remains committed to the Asian telecommunications sector, which will remain a core business for the First Pacific Group, the Board considers that the First Pacific Group's resources would be more profitably employed in markets where First Pacific's operations can attain market leadership positions which are unlikely to be achievable in the increasingly competitive Indian mobile telecommunications market. In view of the highly competitive environment of the Indian mobile telecommunications market and the consolidation which is occurring amongst operators in that market, the Board believes that increased shareholder value for the First Pacific's shareholders can best be achieved by a disposal of its interest in Escotel at this time. It is intended to use the proceeds of the sale for general corporate and working capital purposes.

The Directors considered that the working capital of the Group will improve immediately after Completion of the disposal of its shareholding interests in Escotel for the following reasons:

- (a) there is a cash inflow to First Pacific Group from the net proceeds of the transaction;
- (b) First Pacific Group will not be required, as a shareholder, to make any further equity injection and/or shareholders advances to finance any operation or expansion of Escotel; and

LETTER FROM THE COMPANY

- (c) Escotel has been loss making and has not in the past made any dividend payments to First Pacific Group. After disposal of First Pacific Group's shareholding interests in Escotel, First Pacific Group will not be required to account for any losses of Escotel in First Pacific Group's consolidated accounts.

TERMS OF THE TRANSACTION

The terms of the transaction were arrived at after arms-length negotiations between the respective parties thereto. The Board believes the terms of the transaction to be fair and reasonable and in the interests of all shareholders of First Pacific.

FINANCIAL EFFECTS OF THE TRANSACTION ON THE FIRST PACIFIC GROUP

The audited consolidated profit/(loss) before taxation and minority interests of the First Pacific Group for the two financial years ended 31st December, 2001 and 2002 was a loss of US\$2,133.6 million (HK\$16,642.1 million) and a profit of US\$140.6 million (HK\$1,096.7 million), respectively. The audited consolidated profit/(loss) attributable to ordinary shareholders for the two financial years ended 31st December, 2001 and 2002 was a loss of US\$1,797.0 million (HK\$14,016.6 million) and a profit of US\$40.1 million (HK\$312.8 million), respectively.

Escotel's audited losses for the years ended 31st December, 2001 and 2002 were US\$22.4 million (HK\$174.7 million) and US\$13.4 million (HK\$104.5 million), respectively. The net asset value of Escotel as shown in Escotel's balance sheet as at 31st December, 2002 was negative US\$324.9 million (HK\$2,534.2 million).

The audited consolidated shareholders' deficit (excluding minority interests) of the First Pacific Group as at 31st December, 2001 and 2002 was US\$191.2 million (HK\$1,491.4 million) and US\$71.2 million (HK\$555.4 million), respectively. Upon Completion, on a pro forma basis, the consolidated shareholders' deficit (excluding minority interests) of the First Pacific Group will be approximately US\$51.2 million (approximately HK\$399.4 million). As a consequence of the transaction, First Pacific will book a gain on disposal of approximately US\$20 million (approximately HK\$156 million) in the financial year ending 31st December, 2004.

BENEFITS EXPECTED TO ACCRUE FROM THE TRANSACTION

First Pacific is an investment and management holding company, principally engaged in the telecommunications and consumer food products sectors. The disposal of First Pacific's interest in Escotel further implements its strategy to focus upon its core investments in telecommunications and consumer food products with market leadership positions and, with the net proceeds from the transaction, strengthens its working capital position. If the transaction is not completed, in the absence of the financing to be provided by the Purchaser to Escotel to meeting Escotel's ongoing operational needs, Escotel is unlikely to be able to comply with its obligations under certain of its loan facilities. Non-compliance with those obligations would provide a basis for the lenders to accelerate payment under the loan facilities, which may then enable the lenders to call the guarantees in respect of those loan facilities provided by Escotel's shareholders, including First Pacific.

LETTER FROM THE COMPANY

INFORMATION RELATING TO ESCOTEL AND ITS BUSINESS

Escotel is currently the seventh largest of the twelve mobile telecommunications operators in India, with approximately 826,000 customers as at 31st December, 2003. Escotel is based in New Dehli and operates mobile digital cellular telephone services on GSM networks.

INFORMATION RELATING TO IDEA CELLULAR AND ESCORTS

Idea Cellular is one of the major mobile telecommunications operators in India, and is an independent third party which is not a connected person, under the Listing Rules, of First Pacific or any of its directors, chief executive, substantial shareholders or subsidiaries or any of their respective associates.

Escorts is a company incorporated in India, the shares of which are listed on the Bombay Stock Exchange. It is one of India's major industrial houses with interests in agri-machinery, telecommunications, healthcare and financial services. Save for Escorts' 51 per cent interest in Escotel and associated management rights conferred by that interest, Escorts is an independent third party and not a connected person, under the Listing Rules, of First Pacific or any of its directors, chief executive, substantial shareholders or subsidiaries or any of their respective associates.

SPECIAL GENERAL MEETING

A notice convening the Special General Meeting to be held at The International Board Room, 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR on Monday, 1st March, 2004 at 3:00 p.m. is set out on pages 17 to 18 of this circular. At the Special General Meeting, an ordinary resolution will be proposed to approve the transaction.

A form of proxy for use at the Special General Meeting is enclosed. Whether or not the Shareholders are able to attend the meeting, they are requested to complete and return the enclosed form of proxy to First Pacific's head office (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the meeting should they wish to do so.

RECOMMENDATIONS

The Board believes the terms of the transaction to be fair and reasonable and in the interests of all shareholders of First Pacific and recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the Special General Meeting for approving the transaction.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices.

Yours faithfully,
For and on behalf of the Board of Directors of
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

INDEBTEDNESS

As at 31st December, 2003, the First Pacific Group had outstanding:–

- secured bank and other loans of US\$250.3 million (HK\$1,952.3 million) of which US\$168 million (HK\$1,310.4 million) was secured by charges over shares in P.T. Indofood Sukses Makmur Tbk and Philippine Long Distance Telephone Company provided by wholly-owned subsidiaries of First Pacific, and unsecured bank and other loans of US\$902.5 million (HK\$7,039.5 million);
- unsecured loan capital of US\$10.4 million (HK\$81.1 million); and
- guarantees of US\$82.4 million (HK\$642.7 million) in respect of credit facilities of Escotel.

The total indebtedness above does not include outstanding indebtedness of the First Pacific Group's associated companies. Foreign currency amounts have been translated at the approximate exchange rates prevailing at the close of business on 31st December, 2003.

Save as aforesaid and apart from intra group liabilities, no company in the First Pacific Group had outstanding at the close of business on 31st December, 2003, any mortgages, charges, debentures or other loan capital or bank overdrafts, liabilities under acceptance, loans or other similar indebtedness or hire purchase commitments, guarantees or other material contingent liabilities or capital commitments except for those incurred in the ordinary course of its business.

FINANCIAL AND TRADING PROSPECTS

First Pacific actively manages its indebtedness which as at 31st December, 2003 stands at US\$168 million (HK\$1,310.4 million). The disposal of First Pacific's equity interest in Escotel strengthens its financial position as a result of releasing in full its US\$82.4 million (HK\$642.7 million) guarantee obligations in respect of Escotel's credit facilities and using the net proceeds from the transaction for general corporate and working capital purposes.

MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the First Pacific Group since 31st December, 2002 (being the date to which the latest audited financial statements of the First Pacific Group were drawn up).

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to First Pacific. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the following Directors were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares of equity derivatives and debentures of First Pacific or any associated corporation (within the meaning of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the “SFO”)) which (a) were required to be notified to First Pacific and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to First Pacific and the Stock Exchange:

(i) First Pacific

Long positions in shares

Name	First Pacific ordinary shares	Approximate percentage (%) of issued share capital
Interests of Sutanto Djuhar, Tedy Djuhar, Ibrahim Risjad and Anthoni Salim all via First Pacific Investments Limited	790,229,364 ^(C)	24.80
Interest of Anthoni Salim via First Pacific Investments (B.V.I.) Limited	628,296,599 ^(C)	19.72
Manuel V. Pangilinan	6,026,759 ^(P)	0.19
Edward A. Tortorici	13,132,129 ^(P)	0.41

(ii) Associated corporation

Long positions in shares

- Manuel V. Pangilinan owned 15,048,064 common shares^(P) in Metro Pacific Corporation (“MPC”), 44,002 common shares^(P) in Philippine Long Distance Telephone Company (“PLDT”) and 360 preferred shares^(P) in PLDT as beneficial owner and a further 15,417 common shares in PLDT as nominee for another person (not being a director, chief executive or a connected person of the Company), as well as 300,000 common shares^(P) in Pilipino Telephone Corporation (“PTC”).
- Edward A. Tortorici owned 2,450,000 ordinary shares^(P) in P.T. Indofood Sukses Makmur Tbk (“Indofood”), 3,051,348 common shares^(P) in MPC, 96,874 common shares^(P) in PLDT and 5,000,000 common shares^(P) in PTC.
- Sutanto Djuhar owned 15,520,335 ordinary shares^(C) in Indofood.
- Tedy Djuhar owned 15,520,335 ordinary shares^(C) in Indofood.
- Ibrahim Risjad owned 6,406,180 ordinary shares^(P) in Indofood.
- Anthoni Salim owned 632,370 ordinary shares^(C) in Indofood.
- Albert F. Del Rosario owned 63,525 common shares^(P) in PLDT, 1,560 preferred shares^(P) in PLDT, 21,822,680 preferred shares^(P) in Prime Media Holdings, Inc. (“PMH”) as beneficial owner and a further 32,231,970 preferred shares in PMH as nominee for another person (not being a director or chief executive of the Company), 4 common shares^(P) in PMH, 100 common shares^(P) in Negros Navigation Company, Inc., 4,922 common shares^(P) in Costa de Madera Corporation, 2,500,000 common shares^(P) in Enterprise Investments Holding Inc., 19,999 common shares^(P) in FPD Savills Consultancy Philippines, Inc. as beneficial owner and one common share in FPD Savills Consultancy Philippines, Inc. as beneficiary of certain trusts, 4,999 common shares^(P) in FPD Savills Philippines, Inc. as beneficial owner and one common share in FPD Savills Philippines, Inc. as beneficiary of certain trusts, 15,000 common shares^(P) in Metro Pacific Land Holdings Inc., and 80,000 common shares^(P) in Metro Strategic Infrastructure Holdings, Inc.

Notes: (C) = Corporate interest (P) = Personal Interest

(iii) Long position in underlying shares in associated corporation

As at the Latest Practicable Date, pursuant to the share option scheme adopted by PLDT on 10th December 1999, Manuel V. Pangilinan was granted 97,571 stock options in PLDT on 10th December 1999, pursuant to which Manuel V. Pangilinan is entitled to exercise the stock options at the exercise price of Pesos 814 per share during the period from 10th December, 2001 to 10th December, 2009, in accordance with the terms of the aforesaid share option scheme.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of First Pacific were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares of equity derivatives and debentures of First Pacific or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to First Pacific and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to First Pacific and the Stock Exchange.

(b) Substantial Shareholders

First Pacific Investments Limited and First Pacific Investments (B.V.I.) Limited beneficially held a total of 1,418,525,963 shares in First Pacific in their name as at the Latest Practicable Date. Of such shares in First Pacific, 790,229,364 shares, representing 24.80 per cent of the issued share capital of First Pacific as at the Latest Practicable Date, have been included in the interests of four First Pacific directors' corporate interests via First Pacific Investments Limited as referred to in section 2(a)(i) above. The remaining 628,296,599 shares in First Pacific, representing 19.72 per cent of the issued share capital of First Pacific as at the Latest Practicable Date, held by First Pacific Investments (B.V.I.) Limited, for the account of Anthoni Salim, have also been included in his interest as disclosed in section 2(a)(i) above.

In addition, the Company has been notified by Marathon Asset Management Limited that it holds 162,979,300 ordinary shares in First Pacific, representing approximately 5.12 per cent of First Pacific's issued share capital as at the Latest Practicable Date.

Save as disclosed in this circular, the Directors and chief executive of First Pacific are not aware of any person as at the Latest Practicable Date who had an interest or short position in the shares or underlying shares of equity derivatives of First Pacific which would fall to be disclosed to First Pacific under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

- (c)** As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with First Pacific, or any of its subsidiaries, which is not expiring or determinable within one year without payment of compensation (other than statutory compensation).
- (d)** As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to First Pacific or any of its subsidiaries since 31st December, 2002 (the date to which the latest published audited consolidated financial statements of the First Pacific Group were drawn up).
- (e)** Save as disclosed herein, there is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the First Pacific Group.

3. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the First Pacific Group within two years preceding the date of this circular which are or may be material:–

- (a) the SPA;
- (b) the Inter Corporate Facility Agreement dated 15th January, 2004 entered into between the Company, Idea Cellular, Escorts and Escotel;
- (c) the Loan Assignment dated 15th January, 2004 entered into between the Company, Escorts and Escotel;
- (d) the Larouge Loan Supplemental Deed;
- (e) the Larouge Pledge Supplemental Agreement and side letter dated 8th February, 2003 between MPC and Larouge;
- (f) the MPC Agreement dated 23rd November, 2002 (together with amendment agreement dated 8th February, 2003);
- (g) the Larouge Agreement;
- (h) the Balance BLC Note and the BLC Note Security;
- (i) the BLC Note and the BLC Note Security;
- (j) the Pre-Closing Pledge Agreement (together with Amendment to Pledge Agreement dated 8th February, 2003);
- (k) the Security Assignment; and
- (l) the memorandum of agreement dated 4th June, 2002 entered into between First Pacific and the Gokongwei Group (being the Gokongwei family and their related companies and other business entities) in relation to the establishment of joint venture arrangements with the Gokongwei Group in relation to First Pacific Group's interests in PLDT and Bonifacio Land Corporation for an aggregate consideration of US\$616.6 million (HK\$4,809.5 million) which was terminated on 30th September, 2002 as stated in First Pacific's announcement dated 2nd October, 2002.

4. LITIGATION

No material litigation or claims are threatened or pending against First Pacific or any of its subsidiaries and the Directors, having made all reasonable enquiries, are not aware that any such material litigation or claims are pending or threatened against First Pacific or any of its subsidiaries.

5. MISCELLANEOUS

- (a) The Company Secretary of First Pacific is Ms. Nancy Li, BA., ACS, ACIS.
- (b) The registered office of First Pacific is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, and the head office is at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR.
- (c) The Principal Share Registrar and Transfer Office is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda.
- (d) The Share Registrar and Transfer Office (Hong Kong Branch) is Computershare Hong Kong Investor Services Limited at Rooms 1901-5, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong SAR.
- (e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office in Hong Kong of First Pacific on any week day (except public holidays) up to and including 27th February, 2004:–

- (a) the memorandum of association and bye-laws of First Pacific;
- (b) the annual reports of First Pacific for the years ended 31st December, 2002 and 31st December, 2001;
- (c) the interim report of First Pacific for the six months ended 30th June, 2003;
- (d) the material contracts referred to in paragraph 3 above;
- (e) this circular; and
- (f) the circular dated 28th February, 2003 for a major and connected transaction for the sale and assignment of Larouge Loan and pledged 50.4 per cent shareholding in Bonifacio Land Corporation to Evergreen Holdings, Inc. and Ayala Land, Inc.

NOTICE OF SPECIAL GENERAL MEETING



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of First Pacific Company Limited will be held at The International Board Room, 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR on Monday, 1st March, 2004 at 3:00 p.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolution as an Ordinary Resolution:–

“THAT:–

(a) each of:–

- (i) the Foreign Share Sale and Purchase Agreement (“Sale and Purchase Agreement”) dated 15th January, 2004 entered into between First Pacific Company Limited (“the Company”), Personal Communications (Mauritius) Limited (“PCL”), Idea Cellular Limited (“Idea Cellular”) and Escotel Mobile Communications Limited (“Escotel”), a copy of which has been produced to this meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification;
- (ii) the Inter Corporate Facility Agreement (“Facility Agreement”) dated 15th January, 2004 entered into between the Company, Idea Cellular, Escorts Limited (“Escorts”) and Escotel, a copy of which has been produced to this meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification; and
- (iii) the Loan Assignment (“Assignment”) dated 15th January, 2004 entered into between the Company, Escorts and Escotel, a copy of which has been produced to this meeting marked “C” and signed by the Chairman of the meeting for the purpose of identification;

and the transactions contemplated thereunder entered or to be entered into by the Company and/or PCL, including without limitation, the Non-Disposal Agreement to be executed and entered into between the Company, Idea Cellular, Escorts, PCL, Escotel and National Securities Depository Limited substantially in the form set out in Annexure III to the Sale and Purchase Agreement, be and are hereby approved, ratified and confirmed; and

NOTICE OF SPECIAL GENERAL MEETING

- (b) Mr Robert C. Nicholson, Mr Paul F. Wallace and/or any other Director of the Company be and is/are hereby authorised to arrange for the execution of such documents in such manner as they may consider necessary and desirable and to do, or authorise the Company and/or PCL to do, whatever acts and things they may consider necessary or desirable or expedient for the purpose of, or in connection with, the implementation of the Sale and Purchase Agreement, the Non-Disposal Agreement, the Facility Agreement, the Assignment or any matter related thereto and to make or agree, or authorise the Company and/or PCL to make or agree, such amendments or variations thereto, and grant, or authorise the Company and/or PCL to grant, any waivers of any conditions precedent or other provisions of the Sale and Purchase Agreement, the Non-Disposal Agreement, the Facility Agreement or the Assignment as Mr Robert C. Nicholson, Mr Paul F. Wallace or any other Director of the Company in their discretion consider to be desirable and in the interests of the Company.”

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

Dated: 5th February, 2004

Notes:

1. Any shareholder entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of First Pacific.
2. A form of voting proxy for the special general meeting is enclosed. In order to be valid, the form of voting proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power of attorney or other authority must be deposited at First Pacific’s head office (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong SAR, not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting should they so wish.