
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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**FIRST PACIFIC COMPANY LIMITED**

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF INTEREST IN PHILEX MINING CORPORATION**

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings, unless otherwise defined or the context otherwise requires:

“Company” or “First Pacific”	First Pacific Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Shareholders”	the shareholders of Philex of record as of 30 October 2008;
“Group”	the Company and/or its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Investor”	a wholly owned subsidiary or an affiliate of the Company;
“Latest Practicable Date”	4 November 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Letter Agreement”	the letter agreement entered into between the Company and Philex on 15 October 2008;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers;
“Philex”	Philex Mining Corporation, a Philippine listed company engaged in exploration, development and utilisation of mineral resources;
“PhP”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Term Sheet”	the legally binding term sheet entered into between the Company and Philex on 3 October 2008 in relation to the acquisition of an approximate 20.16% interest in Philex by a wholly owned subsidiary of the Company; and
“US\$”	United States dollar, the lawful currency of the United States of America.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = PhP47.26. Percentages and figures expressed in millions and billions have been rounded.

LETTER FROM THE BOARD



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

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

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles*

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

* *Independent Non-executive Directors*

6 November 2008

To the shareholders of the Company for information only

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITION OF INTEREST IN PHILEX MINING CORPORATION

INTRODUCTION

Reference is made to the Company's discloseable transaction announcements of 6 October 2008 and 16 October 2008 in relation to the entering into of the Term Sheet and Letter Agreement.

Subsequent to the signing of the Term Sheet, the Company and Philex have entered into the Letter Agreement, supplementing the Term Sheet. The Term Sheet and the Letter Agreement are together referred to as the "Agreement". The purpose of this circular is to provide you with further information in relation to the arrangements under the Agreement.

The arrangements (the "Proposed Transaction") under the Agreement are summarised below:

1. Philex will offer to sell 778,645,691 (approximately 20.06% interest in Philex) common shares of stock (comprising solely of treasury shares of Philex) of Philex ("Offer Shares") on a pro-rata basis to all of its Existing Shareholders at the offer price of PhP7.92 (approximately US\$0.1676 and approximately HK\$1.31) per share (the "Offer Price") (the "Offer") for a consideration of approximately PhP6.167 billion (approximately US\$130.5 million and approximately HK\$1,017.8 million).

LETTER FROM THE BOARD

2. The Investor shall acquire all the Offer Shares not taken up by Existing Shareholders under the Offer at the Offer Price. If none of the Offer Shares were taken up by the Existing Shareholders, the Investor shall acquire the entire amount of the Offer Shares, being 778,645,691 common shares of stock in Philex at the Offer Price. The Investor may, if suitable opportunities arise, acquire further shares, so as to achieve an approximate 20% total shareholding in Philex, from the open market or from Existing Shareholders, subject to compliance with the Listing Rules.
3. The rights of the Investor under the Term Sheet have also been extended – the Investor now has the right to appoint two directors to the board of Philex and have access to financial and other information from Philex (for the purpose of equity accounting the earnings of Philex) upon the Investor having acquired at least 16% interest in Philex.
4. The expected completion date of the Proposed Transaction has been extended to no later than 28 November 2008.

CONSIDERATION

The consideration for the Proposed Transaction is based on the Offer Price. The Investor's maximum financial commitment for the Proposed Transaction will be up to approximately PhP6.167 billion (approximately US\$130.5 million and approximately HK\$1,017.8 million). The Proposed Transaction will be financed by internal cash and bank borrowings of the First Pacific group of companies. The Company will make one or more announcements, as and when appropriate, after the completion of the Offer, to inform shareholders as to the outcome of the Offer and the shareholding percentage in Philex to be taken up by the Company under the Proposed Transaction.

FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

After the completion of the Proposed Transaction, the Company's investment in Philex will be accounted for by the Company as an investment in an associated company. In view of the track record and earnings ability of Philex, the Proposed Transaction is expected to have a positive impact on the future earnings of the Group.

REASONS FOR THE PROPOSED TRANSACTION

There exists significant mineral deposits in the Philippines and the development of the mining industry is a particular focus of the Philippine Government and it actively encourages foreign investment in the mining sector. Philex is a company with a long history and which presently has strong cash flows derived from its existing mining interests. The Proposed Transaction represents an attractive opportunity to make an initial investment in a sector which the board of directors of the Company believes will deliver strong growth in the coming years.

Taking into account the above, the Directors are of the view that the terms of the Proposed Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Proposed Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

GENERAL

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

The net asset value of Philex as at 31 December 2007 is PhP8,287 million (approximately US\$200.8 million and approximately HK\$1,565.9 million) and the net profits of Philex before and after taxation and extraordinary items are PhP5,621 million (approximately US\$122.6 million and approximately HK\$956.0 million) and PhP5,005 million (approximately US\$109.1 million and approximately HK\$851.3 million), respectively, for the financial year ended 31 December 2007 and net profits of Philex before and after taxation and extraordinary items are PhP3,572 million (approximately US\$69.8 million and approximately HK\$544.6 million) and PhP3,087 million (approximately US\$60.3 million and approximately HK\$470.7 million), respectively, for the financial year ended 31 December 2006.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Philex and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Your attention is drawn to the information set out in the Appendix to this circular.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for 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

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

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

(a) Long positions in shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital (%)	Ordinary share options
Anthoni Salim	1,421,633,963 ^{(C)(i)}	44.18	–
Manuel V. Pangilinan	6,432,759 ^(P)	0.20	62,000,000
Edward A. Tortorici	35,372,131 ^(P)	1.10	21,760,000
Robert C. Nicholson	–	–	29,500,000
Ambassador Albert F. del Rosario	600,000 ^(P)	0.02	6,000,000
Benny S. Santoso	–	–	6,000,000
Graham L. Pickles	–	–	3,160,000
Prof. Edward K.Y. Chen, GBS, CBE, JP	–	–	4,500,000
Sir David W.C. Tang, KBE	–	–	3,160,000

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

(i) *Anthoni Salim owns 100 per cent of First Pacific Investments (BVI) Limited which, in turn, is interested in 631,404,599 shares in the Company. Of this, 33.334 per cent is held by Anthoni Salim directly, and 66.666 per cent by Salerni International Limited (a company which Anthoni Salim directly holds 100 per cent of the issued share capital). Anthoni Salim also owns 56.8 per cent of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 10 per cent is held by Anthoni Salim directly, and 46.8 per cent by Salerni International Limited. The remaining 43.2 per cent interest in First Pacific Investments Limited is owned as to 30 per cent by Sutanto Djuhar, 10 per cent by Tedy Djuhar and 3.2 per cent by a company controlled by Ibrahim Risjad, all of whom are Non-executive Directors of the Company.*

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

- Manuel V. Pangilinan owned 1,342,404 common shares^(P) in Metro Pacific Investments Corporation (MPIC), 206,033 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.
- Edward A. Tortorici owned 69,596 common shares^(C) and 660,000 common shares^(P) in MPIC and 104,874 common shares^(P) in PLDT.
- Sutanto Djuhar owned 15,520,335 ordinary shares^(C) in P.T. Indofood Sukses Makmur Tbk (Indofood).
- Tedy Djuhar owned 15,520,335 ordinary shares^(C) in Indofood.
- Ibrahim Risjad owned 6,406,180 ordinary shares^(C) in Indofood.
- Anthoni Salim owned 632,370 ordinary shares^(C) in Indofood and a direct interest of 2,007,788 shares in Indofood Agri Resources Ltd. (IndoAgri) through his controlled corporations other than First Pacific and an indirect interest of 998,200,000 IndoAgri shares through First Pacific group companies”.
- Ambassador Albert F. del Rosario owned 140,005 common shares^(P) and 1,560 preferred shares^(P) in PLDT, 32,231,970 preferred shares in Prime Media Holdings, Inc. (PMH) as nominee, 4 common shares^(P) in PMH as beneficial owner, 4,922 common shares^(P) in Costa de Madera Corporation, 15,000 common shares^(P) in Metro Pacific Land Holdings Inc., and 80,000 common shares^(P) in Metro Strategic Infrastructure Holdings, Inc.
- Napoleon L. Nazareno owned 6,648 common shares^(P) in MPIC, 13,927 common shares^(P) in PLDT and 495 preferred shares^(P) in PLDT.

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

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

(ii) Interests of Substantial Shareholders in the Company

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

- (a) Salerni International Limited (Salerni), which was incorporated in the British Virgin Islands, was interested in 1,421,633,963 shares of the Company (long position) at the Latest Practicable Date, representing approximately 44.18 per cent of the Company's issued share capital, by way of its 46.80 per cent interest in First Pacific Investments Limited (FPIL-Liberia) and its 66.666 per cent interest in First Pacific Investments (BVI) Limited (FPIL-BVI).
- (b) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at the Latest Practicable Date, representing approximately 24.56 per cent of the Company's issued share capital at that date. FPIL-Liberia is owned by the Chairman (Anthoni Salim) and three Non-executive Directors (Sutanto Djuhar, Tedy Djuhar and Ibrahim Risjad), in the proportion specified in note (i) of the table on page 7. Anthoni Salim is taken to be interested in the shares owned by FPIL-Liberia.
- (c) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 631,404,599 ordinary shares at the Latest Practicable Date, representing approximately 19.62 per cent of the Company's issued share capital at that date. Anthoni Salim, the Chairman of the Company, beneficially owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares owned by FPIL-BVI.
- (d) Marathon Asset Management Limited (Marathon), a U.K. incorporated company, notified the Company that it held 208,871,173 ordinary shares of the Company in August 2008, representing approximately 6.48 per cent of the Company's issued share capital at that time. At the Latest Practicable Date, the Company has not received any other notification from Marathon of any change to such holding.

Other than as disclosed, the Directors and chief executive of the Company are not aware of any person at the Latest Practicable Date who had an interest or short position in the shares or underlying shares and debentures of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in five per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company.

3. SERVICE CONTRACTS

No Director has an unexpired contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

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

5. COMPETING INTERESTS

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

As at the Latest Practicable Date, no Director has any interest, direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group.

6. MISCELLANEOUS

- (i) The Company Secretary of the Company is Ms. Nancy L.M. Li, MSc (Corporate Governance and Directorship), BA, FCS(PE), FCIS.
- (ii) The qualified accountant of the Company is Mr. Richard L. Beacher, BA(Hons) in Economics and Accounting, FCCA, CPA
- (iii) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal office of the Company is at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

- (iv) The principal share registrar and transfer office is Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.
- (v) The share registrar and transfer office (Hong Kong Branch) is Computershare Hong Kong Investor Services Limited at 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (vi) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.