

MARATHON

Asset Management

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Dear Fellow Shareholder of First Pacific Company Ltd

I am writing to urge you, the First Pacific Company shareholders, to vote against Ordinary Resolution 4(i) at the Company's annual general meeting on June 1st 2007 concerning the re-election of the company's CEO, Mr Manny Pangilinan. The Company has a duty to circulate this letter under the Bermuda Companies Act by virtue of Marathon Asset Management's holding on behalf of clients of 204.7 mill shares (6% of the total) and my own personal beneficial interest of 10 mill shares. Our firm is the second largest institutional holder in First Pacific.

Mr Pangilinan is a loyal and long standing CEO of First Pacific. However, we have become convinced that he is not the right person to take the firm through the next several years due to his determination to pursue an acquisition oriented growth strategy as a means of boosting firm value and lowering the share price discount. Our advice, delivered consistently over many years, is that the company should deploy its resources in purchasing its own shares, a strategy which would raise intrinsic value per share and narrow the discount, thereby providing a double benefit to First Pacific shareholders. In contrast acquisition growth only benefits value to the extent that we buy cheaply, now an unlikely outcome six years after the end of the Asian crisis. To the extent acquisitions are funded by share placements, First Pacific's preferred financing strategy, the discount at which the First Pacific shares trade would certainly not narrow; logically it is more likely to increase!

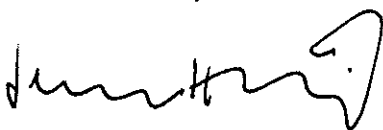
Officially First Pacific claims that it enjoys friendly relationships with owners and welcomes constructive dialogue amongst fellow shareholders. Yet as far as share buybacks go this is not the case. For over four years Marathon has argued that share buybacks should be part of the corporate tool-kit. However such discussions have been rebuffed in a most cursory manner, and not because of any legitimate wishes of the controlling shareholder. Rather management, in the form of Mr Pangilinan, has argued that share buybacks would be ineffective in serving the owners' interest. This is quite an extraordinary argument in view of the recent history at Jardine Matheson where buybacks have raised per-share value and indisputably narrowed the discount, to the point in late 2005 when management has been able to discontinue buybacks on the grounds that the discount had now become immaterial. Such a happy outcome is more than possible in the First Pacific case, if we were to pursue an equivalent strategy. If the company repurchases 5% of its shares annually over the next three years we believe that a share price of HK\$ 10 p.s could be achieved comfortably, and with no attendant acquisition risk.

First Pacific shares have recovered substantially in recent years. However the Asian crisis inevitably distorts annualised shareholder return figures, such that even 10 year figures provide unfair measures to incumbent management. For instance, the First Pacific share was as high as HK\$ 12.00 in 1996, more than double today's level. Over fifteen years however the picture that emerges is one of Hang Seng Index-like performance but with significantly greater volatility and lower income for shareholders than index fund investment. This is not a ringing endorsement of current management which has been lead by Mr Pangilinan throughout this extended period. The bottom line is that the firm's obvious tendency toward deal-making has not produced superior results.

Please vote against the re-election of Mr Pangilinan at the June 1st meeting (Ordinary Resolution 4(i)). The Board can then commission an independent review of the best strategic options for First Pacific Company for the short, medium and long term.

Please vote against the adoption of the Ordinary Resolutions 7 and 9 regarding the issue of First Pacific shares, as this is a critical enabler of management's ability to finance acquisitions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Hosking', with a stylized flourish at the end.

Jeremy Hosking
Founder, Marathon Asset Management LLP