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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

**ACQUISITIONS OF SHARES IN PHILIPPINE LONG DISTANCE
TELEPHONE COMPANY**

8th February 2006

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DEFINITIONS

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

“ADSs”	American depositary shares of PLDT, evidenced by American depositary receipts (“ADRs”), each ADS represents 1 share of common stock of PLDT;
“Board”	the board of directors of the Company;
“Company”	First Pacific Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“Group”	the Company and/or its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, The People’s Republic of China;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	6th February 2006 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers;
“Php”, “Pesos”	Philippine Pesos, the lawful currency of the Republic of the Philippines;
“PLDT”	Philippine Long Distance Telephone Company, a company incorporated in the Philippines with limited liability, the shares of which are listed on the Philippine Stock Exchange and the ADRs of which are listed on the New York Stock Exchange and on the Archipelago Exchange (currently an associated company of the Company);
“PRC”	The People’s Republic of China;

DEFINITIONS

“Purchased Shares”	an aggregate of 2,714,537 Shares acquired by the Company during the period which commenced on 2nd June 2005 and ended on the Latest Practicable Date as referred to in this circular;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares”	shares of common stock of Php5.00 each in the capital of PLDT;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United State dollars, the lawful currency of the United States of America.

In this circular, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80 = Php53.00. Percentages and figures expressed in billions and millions 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)

Chairman:

Anthoni Salim

Executive Directors:

Manuel V. Pangilinan (*Managing Director and CEO*)

Edward A. Tortorici

Robert C. Nicholson

Non-Executive Directors:

His Excellency Albert F. del Rosario

Sutanto Djuhar

Tedy Djuhar

Ibrahim Risjad

Benny S. Santoso

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Hong Kong Principal Offices:

24th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

Independent Non-Executive Directors:

Graham L. Pickles

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

David W.C. Tang,

OBE, Chevalier de L'Ordre des Arts et des Lettres

8th February 2006

To the shareholders of the Company for information only

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITIONS OF SHARES IN PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

INTRODUCTION

Reference is made to the announcement dated 18th January 2006 issued by the Company in respect of the acquisition by the Company of the Purchased Shares as more particularly detailed in this circular below. The purpose of this circular is to provide you with further information in relation to such acquisition by the Company.

LETTER FROM THE BOARD

Between 2nd June 2005 and the Latest Practicable Date, the Company, through two of its wholly-owned subsidiaries namely Semilion Enterprises Inc. and Larouge B.V., acquired an aggregate of 2,714,537 Shares in PLDT by way of a series of on-market transactions conducted on the Philippine Stock Exchange and the New York Stock Exchange with sellers who, as far as the Board is aware, are not connected persons of the Company for the purposes of the Listing Rules.

An aggregate of 2,677,866 Shares were acquired by Semilion Enterprises Inc. either in the form of shares of common stock or ADSs during the period from 2nd June 2005 to the Latest Practicable Date, for an aggregate consideration of US\$82.7 million (equivalent to approximately HK\$645.1 million). The acquisition price per Share ranged from a low of US\$27.3 (equivalent to approximately HK\$212.9) to a high of US\$35.6 (equivalent to approximately HK\$277.7).

Larouge B.V. acquired an aggregate of 36,671 Shares in the form of shares of common stock during the period which commenced on 29th December 2005 and ended on 3rd January 2006, for an aggregate consideration of Php66.9 million (equivalent to approximately US\$1.3 million or HK\$9.8 million) and at an acquisition price per Share ranging from a low of Php1,810 (equivalent to approximately US\$34.2 or HK\$266.4) to a high of Php1,835 (equivalent to approximately US\$34.6 or HK\$270.1).

CONSIDERATION

The total consideration including expenses for the acquisition of the Purchased Shares amounts to approximately US\$84.0 million (equivalent to approximately HK\$655.2 million). The acquisition price for each of the Purchased Shares, which has been determined on an arm's length basis by reference to the market price on the relevant stock exchanges, ranged from approximately US\$27.3 (equivalent to approximately HK\$212.9) to approximately US\$35.6 (equivalent to approximately HK\$277.7). The series of acquisitions of the Purchased Shares, when aggregated, constitute a discloseable transaction for the Company, pursuant to Rule 14.22 of the Listing Rules, on the basis that the aggregate value of the Shares acquired represents more than 5% of the market capitalization of the Company in the five business days immediately preceding the last acquisition.

The unaudited consolidated net profit of PLDT for the period ended 30th September 2005 was approximately Pesos 25.0 billion after tax and minority interests (equivalent to approximately US\$471.7 million or HK\$3,679.2 million) and Pesos 33.1 billion before tax and minority interests (equivalent to approximately US\$624.5 million or HK\$4,871.3 million). The audited consolidated net profit of PLDT for the year ended 31st December 2004 was approximately Pesos 28.0 billion after tax and minority interests (equivalent to approximately US\$528.3 million or HK\$4,120.8 million) and Pesos 32.9 billion before tax and minority interests (equivalent to approximately US\$620.8 million or HK\$4,841.9 million) and the audited consolidated net profit of PLDT for the year ended 31st December 2003 was approximately Pesos 2.1 billion after tax and minority interests (equivalent to approximately US\$39.6 million or HK\$309.1 million) and Pesos 1.7 billion before tax and minority interests (equivalent to approximately US\$32.1 million or HK\$250.2 million), respectively. The unaudited consolidated net assets of PLDT as at 30th September 2005

LETTER FROM THE BOARD

were approximately Pesos 67.4 billion (equivalent to approximately US\$1,271.7 million or HK\$9,919.2 million). The audited consolidated net assets of PLDT as at 31st December 2004 and 31st December 2003 was approximately Pesos 47.7 billion (equivalent to approximately US\$900.0 million or HK\$7,020.0 million) and Pesos 20.7 billion (equivalent to approximately US\$390.6 million or HK\$3,046.4 million), respectively.

FINANCIAL EFFECTS OF THE ACQUISITIONS

The purchase consideration was funded by internal resources and bank borrowings and was paid entirely by cash by the Company.

As a result of the acquisitions, the Group will record goodwill on acquisitions of approximately US\$62 million (equivalent to HK\$484 million). In accordance with Hong Kong accounting standards, the Company will continue to equity account for PLDT's financial results in its group accounts.

REASONS FOR THE ACQUISITIONS

The acquisitions have been made principally to minimize the dilutive impact on the Group's strategic investment in PLDT upon the conversion of outstanding PLDT convertible preferred shares by the holders of such shares comprising of a wide range of investors and share options by certain management executives of PLDT into new shares of common stock and ADSs. Prior to the acquisitions of the Purchased Shares, the Group held an attributable economic interest in an aggregate of 41,229,800 Shares of PLDT, at the time representing approximately 24.2% of the issued shares of common stock of PLDT. Following the acquisition of the Purchased Shares, the Group has an attributable economic interest in 43,944,337 Shares of PLDT, representing approximately 24.3% of the issued shares of common stock of PLDT, after taking into consideration the actual conversion of certain PLDT convertible preferred shares and share options into new shares of common stock and ADSs as at the Latest Practicable Date during the period when the Purchased Shares were acquired by the Group.

Larouge B.V.'s on-market acquisition of 36,671 shares of common stock of PLDT have been made pursuant to the terms and conditions of the First Pacific Finance Limited's US\$199,000,000 Zero Coupon Guaranteed Exchangeable Notes due 2010 (the "Notes"), details of which are set out in the announcement made by the Company on 12th January 2005 (the "2005 Announcement"), and such shares of common stock have been added to the Exchange Property (as defined in the 2005 Announcement) that is available to holders of the Notes upon exercising their Exchange Rights (as defined in the 2005 Announcement) under the Notes.

The Board believes that the terms of the acquisition of the Purchased Shares are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY AND PLDT

The Company is a Hong Kong based investment and management company with operations located in Southeast Asia. The Company's principal business interests relate to telecommunications and consumer food products.

PLDT is the leading telecommunications service provider in the Philippines. It is based in Manila, and has shares of common stock listed on the Philippine Stock Exchange and ADRs listed on the New York Stock Exchange and on the Archipelago Exchange. Through its three principal business groups, PLDT offers a wide range of telecommunications services, including wireless, fixed line and information and communications technology. PLDT has developed the Philippines' most extensive fiber optic backbone, cellular, fixed line and satellite networks.

POSSIBLE FURTHER ACQUISITIONS

As at the Latest Practicable Date the Board is considering the acquisition of additional Shares in PLDT by the Group by way of further on-market transactions, on such terms and conditions as may be determined by the Board from time to time. The Board does not anticipate that the acquisition of those additional Shares, when aggregated with the Purchased Shares, would result in any of the applicable percentage ratios under the Listing Rules exceeding 25%. Accordingly, the transaction in aggregate, including the acquisition of those additional Shares, will remain a discloseable transaction under the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

The acquisition of the Purchased Shares, together with any acquisitions of additional Shares in PLDT as contemplated above, constitute a discloseable transaction under the Listing Rules for the Company.

GENERAL INFORMATION

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) are required, pursuant to the 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
Sutanto Djuhar	30.0 percent interest			
Tedy Djuhar	10.0 percent interest			
Ibrahim Risjad	10.0 percent interest			
Anthoni Salim	10.0 percent interest all via First Pacific Investments Limited ⁽ⁱ⁾	790,229,364 ^(c)	24.78	–
Anthoni Salim	33.3 percent interest via First Pacific Investments (BVI) Limited ⁽ⁱⁱ⁾	628,296,599 ^(c)	19.70	–
Manuel V. Pangilinan		6,026,759 ^(p)	0.19	31,800,000
Edward A. Tortorici		13,132,129 ^(p)	0.41	31,800,000
Robert C. Nicholson		–	–	24,500,000
His Excellency Albert F. del Rosario		–	–	2,840,000
Benny S. Santoso		–	–	2,840,000
Graham L. Pickles		–	–	2,840,000
Edward K. Y. Chen, GBS, CBE, JP		–	–	2,840,000

(i) *Soedono Salim, the former Chairman of the Company, and Sudwikatmono, a former Non-executive Director of the Company, respectively own 30.0 percent and 10.0 percent interests in the First Pacific Investments Limited.*

(ii) *Soedono Salim, the former Chairman of the Company, owns a 33.3 percent interest in First Pacific Investments (BVI) Limited.*

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

- Manuel V. Pangilinan owned 15,048,064 common shares^(p) in Metro Pacific Corporation (MPC), 190,812 common shares^(p) in 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, as well as 3,500,000 common shares^(p) in Pilipino Telephone Corporation.
- Edward A Tortorici owned 16,741,348 common shares^(p) in MPC and 104,874 common shares^(p) in PLDT.
- Sutanto Djuhar owned 15,520,335 ordinary shares^(c) in PT. 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^(p) in Indofood.
- Albert F. del Rosario owned 95,025 common shares^(p) in PLDT, 1,560 preferred shares^(p) in PLDT, 32,231,970 preferred shares^(p) in Prime Media Holdings, Inc. (PMH) as nominee for another person, 4 common shares^(p) in PMH as beneficial owner, 100 common shares^(p) in Negros Navigation Co., Inc., 4,922 common shares^(p) in Costa de Madera Corporation, 19,999 common shares^(p) in FPD Savills Consultancy Philippines, Inc. as beneficial owner and one common share^(p) in FPD Savills Consultancy 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.

^(p) = Personal interest, ^(c) = Corporate interest

As at the Latest Practicable Date, save as disclosed above, 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 of equity derivatives 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 Stock Exchange.

(ii) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the following parties, other than a Director or chief executive of the Company, have an interest or short position in the shares of the Company and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested 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 other member of the Group:

- (a) First Pacific Investments Limited ("**FPIL-Liberia**"), which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares as at the Latest Practicable Date, representing approximately 24.78 percent of the Company's issued share capital at that date. FPIL-Liberia is owned by the Chairman (Anthoni Salim), three Non-executive Directors (Sutanto Djuhar; Tedy Djuhar and Ibrahim Risjad), the former Chairman (Soedono Salim) and a former Non-executive Director of the Company (Sudwikatmono), in the proportions specified in the table on page 8 and in note (i) to the table. Each of these persons is taken to be interested in the shares owned by FPIL-Liberia.
- (b) First Pacific Investments (BVI) Limited ("**FPIL-BVI**"), which was incorporated in the British Virgin Islands, beneficially owned 628,296,599 ordinary shares as at the Latest Practicable Date, representing approximately 19.70 percent of the Company's issued share capital at that date. Anthoni Salim, the Chairman of the Company, and Soedono Salim, the former Chairman of the Company, each beneficially owns one-third or more of the issued share capital of FPIL-BVI and, accordingly, each of them is taken to be interested in the shares owned by FPIL-BVI.
- (c) Brandes Investment Partners, LP ("**Brandes**"), a U. S. company, notified the Company that it held 382,993,147 ordinary shares of the Company in December 2005, representing approximately 12.01 percent of the Company's issued share capital. As at the Latest Practicable Date, the Company has not received any other notification from Brandes of any change to such holding.
- (d) Marathon Asset Management Limited ("**Marathon**"), a U.K. incorporated company, notified the Company that it held 204,709,173 ordinary shares of the Company in November 2005, representing approximately 6.42 percent of the Company's issued share capital. As at the Latest Practicable Date, the Company has not received any other notification from Marathon of any change to such holding.

3. SERVICE CONTRACTS

Mr. Tortorici has a service contract with the Company expiring on 31st December 2007.

Other than as described above, 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.

6. MISCELLANEOUS

- (i) The company secretary of the Company is Ms. Nancy L.M. Li, BA, FCS, FCIS.
- (ii) The qualified accountant of the Company is Mr. Joseph H.P. Ng, MBA, FCCA, CPA.
- (iii) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The head office and principal place of business 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 Fund Services (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 46th 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.