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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 TRANSACTIONS ACQUISITION OF ADDITIONAL INTEREST IN MAYNILAD AND RECAPITALISATION OF MPIC

23 July 2008

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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:

“Ashmore Funds”	certain funds managed by Ashmore Investment Management Limited;
“Board”	the board of directors of the Company;
“Company” or “First Pacific”	First Pacific Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“December 2006 Announcement”	the Company’s announcement dated 5 December 2006;
“December 2006 Circular”	the Company’s circular dated 27 December 2006;
“Directors”	the directors of the Company;
“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 People’s Republic of China;
“Latest Practicable Date”	17 July 2008 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 of Hong Kong Limited;
“Maynilad”	Maynilad Water Services, Inc., a company incorporated in the Philippines;
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers;
“MPHI”	Metro Pacific Holdings, Inc., a Philippine affiliate of the Company;
“MPIC”	Metro Pacific Investments Corporation, a Philippine corporation in which MPHI has an approximately 85.6% attributable economic interest, whose shares are listed on the Philippine Stock Exchange;

DEFINITIONS

“Philippines”	The Republic of the Philippines;
“PhP”	The Philippine peso, the lawful currency of the Philippines;
“SEC”	the Philippine Securities and Exchange Commission;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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 = PhP44.452 = HK\$7.8. 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)

Chairman:

Anthoni Salim

Executive Directors:

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

Edward A. Tortorici

Robert C. Nicholson

Non-Executive Directors:

Ambassador Albert F. del Rosario

Sutanto Djuhar

Tedy Djuhar

Ibrahim Risjad

Benny S. Santoso

Napoleon L. Nazareno

Hong Kong Principal Office:

24th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent Non-Executive Directors:

Graham L. Pickles

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

Sir David W.C. Tang, *KBE*

23 July 2008

To the shareholders of the Company for information only

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS

INTRODUCTION

Reference is made to the announcement dated 2 July 2008 issued by the Company in respect of discloseable transactions relating to the acquisition of additional interest in Maynilad by MPIC and the recapitalisation of MPIC. The purpose of this circular is to provide you with further information in relation to such acquisition and recapitalisation.

LETTER FROM THE BOARD

ACQUISITION BY MPIC OF ADDITIONAL INTEREST IN THE CONSORTIUM IN RELATION TO THE MAYNILAD ACQUISITION

Reference is made to the overseas regulatory announcements of the Company dated 30 June 2008 and 5 March 2008. Reference is also made to the December 2006 Announcement and December 2006 Circular relating to the acquisition of an interest by the Company, through a consortium (the "Consortium") which includes MPIC, in Maynilad (the "Maynilad Acquisition"). Maynilad holds an exclusive concession, granted by the Philippines' Metropolitan Waterworks and Sewerage System, on behalf of the Philippine government, to provide water and sewerage services in the area of West Metro Manila. As referred to in the December 2006 Announcement and the December 2006 Circular, MPIC has a 50% interest in the Consortium and the Ashmore Funds (and their affiliates) provided part of the financing for the Maynilad Acquisition by way of convertible and exchangeable debts.

The Company is pleased to announce that its affiliates have signed certain agreements with the Ashmore Funds (and their affiliates) on 27 June, 2008, to purchase and/or repay the convertible and exchangeable debts from such Ashmore Funds (and their affiliates) for a total consideration of US\$140 million (approximately HK\$1,092 million) (the "Acquisition"). Upon completion of the Acquisition, the Ashmore Funds (and their affiliates) will no longer have any interest in the Consortium.

The consideration for the Acquisition was arrived at after negotiations on an arm's length basis and on a willing buyer and willing seller basis, taking into account, inter alia, the comparable multiples, the net asset value and the business prospects of Maynilad.

The net asset value of Maynilad as at 31 December 2007 is PhP4,510 million (approximately US\$101.5 million or approximately HK\$791.4 million) and the net profits of Maynilad before and after taxation and extraordinary items are PhP1,163 million (approximately US\$26.2 million and approximately HK\$204.1 million) and PhP1,255 million (approximately US\$28.2 million and approximately HK\$220.2 million), respectively, for the financial year ended 31 December 2007 and net profits of Maynilad before and after taxation and extraordinary items are PhP779 million (approximately US\$17.5 million and approximately HK\$136.7 million) and PhP1,004 million (approximately US\$22.6 million and approximately HK\$176.2 million), respectively, for the financial year ended 31 December 2006.

The Acquisition will be funded by internal cash resources of the Group. The acquired interest in the Consortium will be consolidated and be held by MPIC following completion of the Acquisition. Such consolidation of the interest in the Consortium by MPIC will be partially funded by the Additional Funding Shares as part of the Share Issuance (described under the section "Recapitalisation of MPIC", below) and partially funded by an advance of US\$40 million (approximately HK\$312 million) (bearing market interest rates) from the Group.

LETTER FROM THE BOARD

RECAPITALISATION OF MPIC

In addition, the Company is pleased to announce a recapitalisation of MPIC involving the issuance of a total of 5,684,808,068 new common shares in the capital of MPIC (“New MPIC Shares”) (the “Share Issuance”) to MPHI, a Philippine affiliate of the Company, following an increase of authorised capital by MPIC (which increase of capital is subject to the consent of SEC). The recapitalisation is part of the Company’s and its affiliates’ plan to recapitalise and reorganise their respective assets in the Republic of the Philippines with the primary aim of repositioning MPIC within the Philippine economy in order to fully establish itself as a robustly capitalised corporate vehicle positioned to make investments in potentially high-growth sectors of the Philippine economy, including the real estate, utilities/infrastructure and healthcare sectors.

In relation to the Share Issuance, of the 5,684,808,068 total New MPIC Shares to be issued to MPHI:

- (a) 1,568,925,223 New MPIC Shares (the “Funding Shares”) will be issued at a price of PhP2.00 (approximately US\$0.045 and approximately HK\$0.35) per share for cash to MPHI and proceeds of the subscription will be used by MPIC to acquire convertible debt originally provided by the Company in connection with the Maynilad Acquisition with the remaining proceeds to be used to repay advances made by MPHI to fund the acquisition of a 34% interest in Davao Doctors Hospital in May 2008;
- (b) 1,893,282,845 New MPIC Shares (the “Recapitalisation Shares”) will (subject to consent of the SEC) be issued (1,237,002,525 New MPIC Shares at a price of PhP1.08236 (approximately US\$0.0243 or approximately HK\$0.19) per share and 656,280,320 New MPIC Shares at a price of PhP1.05286 (approximately US\$0.0237 and approximately HK\$0.185) per share) in consideration of the recapitalisation of certain existing shareholders’ advances that were used to fund the Maynilad Acquisition and the acquisition of a 33.45% interest in Medical Doctors Inc., the owner and operator of the Makati Medical Center in the Republic of the Philippines; and
- (c) 2,222,600,000 New MPIC Shares (the “Additional Funding Shares”) will (subject to consent of the SEC) be issued at a price of PhP2.00 (approximately US\$0.045 and approximately HK\$0.35) per share and subscribed for by MPHI in cash under the recapitalisation programme and such cash consideration will be applied to partially fund the consideration of the interest in the Consortium by MPIC.

LETTER FROM THE BOARD

TERMS OF THE SHARE ISSUANCE

In relation to the Share Issuance, the New MPIC Shares shall have the same rights and privileges as the common shares of MPIC currently outstanding. MPIC is currently approximately 85.6% owned by MPHI. The equity structure of MPIC before and after the Share Issuance is set out below:

	Existing	%	Issuance of Funding Shares	Resulting	%	Issuance of Recapitalisation Shares	Resulting	%	Issuance of Additional Funding Shares	Resulting	%
MPHI	1,150,050,000	85.6%	1,568,925,223	2,718,975,223	93.4%	1,893,282,845	4,612,258,068	96.0%	2,222,600,000	6,834,858,068	97.3%
Public	192,868,745	14.4%	-	192,868,745	6.6%	-	192,868,745	4.0%	-	192,868,745	2.7%
	<u>1,342,918,745</u>	<u>100.0%</u>	<u>1,568,925,223</u>	<u>2,911,843,968</u>	<u>100.0%</u>	<u>1,893,282,845</u>	<u>4,805,126,813</u>	<u>100.0%</u>	<u>2,222,600,000</u>	<u>7,027,726,813</u>	<u>100.0%</u>

Authorised	Shares	Peso value
Common	11,950,000,000	11,950,000,000
Preferred	5,000,000,000	50,000,000
	<u>16,950,000,000</u>	<u>12,000,000,000</u>

Following the completion of the Share Issuance, MPHI's interest in MPIC will be increased from approximately 85.6% to approximately 97.3%.

The subscription prices of New MPIC Shares are determined on the following bases:

- (a) in respect of the Funding Shares and the Additional Funding Shares – net asset value approach; and
- (b) in respect of the Recapitalisation Shares – the stated conversion price under the various existing relevant agreements in respect of the existing shareholders' advances of MPIC.

The net asset value of MPIC as at 31 December 2007 is PhP2,383 million (approximately US\$53.6 million and approximately HK\$418.1 million) and the net profits of MPIC before and after taxation and extraordinary items are PhP721 million (approximately US\$16.2 million and approximately HK\$126.5 million) and PhP168 million (approximately US\$3.8 million and approximately HK\$29.5 million), respectively, for the financial year ended 31 December 2007 and net losses of MPIC before and after taxation and extraordinary items are PhP512 million (approximately US\$11.5 million and approximately HK\$89.8 million) and PhP686 million (approximately US\$15.4 million and approximately HK\$120.4 million), respectively, for the financial year ended 31 December 2006.

LETTER FROM THE BOARD

REASONS FOR THE TRANSACTIONS

The Directors believe that there is significant upside potential in increasing MPIC's interest in Maynilad by way of the Acquisition as water distribution is an essential infrastructure service and has the potential to provide stable operating cash flows. In addition, Maynilad has 14 years remaining of a 25 year exclusive concession to provide water to West Metro Manila, an extensive and populous area covering eight cities and two municipalities in the Metro Manila area and one city and five municipalities in Cavite province, which is a rapidly industrialising province.

The recapitalisation of MPIC by way of the Share Issuance will place MPIC in a position to fund its growth in its core businesses in line with its corporate reorganisation and recapitalisation plan which aims at placing MPIC in a position to make significant investments in potentially high-growth sectors of the Philippine economy, including the real estate, utilities/infrastructure and healthcare sectors.

The Directors believe that the terms of the Acquisition and the Share Issuance are fair and reasonable and in the interests of the Company's shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTIONS

After the Acquisition, the total assets and liabilities of the enlarged Group will be increased upon the consolidation of the interest in the Consortium by MPIC and the extent of increment will be subject to an assessment of the fair value of the Consortium's identifiable assets acquired, liabilities and contingent liabilities assumed. In addition, in view of the track record, earnings ability and customer base of Maynilad, the Acquisition is expected to have a positive impact on the earnings of the Group in the future.

Following the completion of the Share Issuance, MPHI's interest in MPIC will be increased from approximately 85.6% to approximately 97.3% and the Group will continue the consolidation of its interest in MPIC.

LISTING RULES IMPLICATIONS

The Acquisition and the Share Issuance each individually 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. The Company's principal business interests relate to Telecommunications, Consumer Food Products, Infrastructure and Natural Resources.

MPIC is a Philippine corporation in which MPHI has an approximate 85.6% attributable economic interest and is an investment and management company with holdings in a water utility, real estate development and healthcare enterprises.

LETTER FROM THE BOARD

Ashmore Investment Management Limited, which is based in London, is one of the world's leading specialist emerging market fund managers, managing approximately US\$36.3 billion (approximately HK\$283.1 billion) as at 31 March 2008 in pooled funds, segregated accounts and structured products for pension funds, central banks and other institutional investors.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the counterparties referred to in this circular and the ultimate beneficial owner of such counterparties 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 Board 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	1,418,525,963 ^{(C)(i)}	43.99	-
Manuel V. Pangilinan	6,252,759 ^(P)	0.19	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 628,296,599 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 1,248,404 common shares^(P) in MPIC, 204,933 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. through his controlled corporations other than First Pacific and an indirect interest of 998,200,000 shares through First Pacific group companies.
- Ambassador Albert F. del Rosario owned 130,005 common shares^(P) in PLDT, 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 1,418,525,963 shares of the Company (long position) at the Latest Practicable Date, representing approximately 43.99 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 24.51 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 9. 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 628,296,599 ordinary shares at the Latest Practicable Date, representing approximately 19.48 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 226,679,173 ordinary shares of the Company in May 2008, representing approximately 7.03 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.

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 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.